1	IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON			
2	IN AND FOR THE COUNTY OF KING			
3				
4				
5	STATE OF WASHINGTON,			
6	Plaintiff, (
7	vs. , NO. 96-2-15056-8SEA			
8	AMERICAN TOBACCO COMPANY,) et al,)			
9) Defendants.)			
10				
11	VIDEOTAPED DEPOSITION OF WILLIAM J. FRITZ			
12				
13				
14				
15	June 12, 1998			
16	Seattle, Washington			
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19				
20				
21	BYERS & ANDERSON, INC.			
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	William J. Fritz, 6/12/98 TINY 0001299		

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BE IT REMEMBERED that on Friday,
June 12, 1998, at 999 Third Avenue, Suite 2150,
Seattle, Washington, at 9:06 a.m., before

KARMEN M. KNUDSON, CCR, RPR, Notary Public in and
for the State of Washington, appeared WILLIAM J.

FRITZ, the witness herein;

WHEREUPON, the following proceedings were had, to wit:

<<<<<< >>>>>>

THE VIDEOGRAPHER: Good morning.

We are now on the record. My name is Marina Vallejo, videographer for Byers & Anderson Court Reporters, based at 2208 North 30th, Suite 202, Tacoma, Washington, 98403. Our telephone number is 253-627-6401. Today is June 12th, 1998, and it is now 9:06.

This is the videotaped deposition of William J. Fritz, being taken in the case of State of Washington versus American Tobacco, et al, cause number 96-2-15056-8.

This deposition is being held at Bennett,
Bigelow & Leedom, 999 Third Avenue, Seattle,
Washington.

William J. Fritz, 6/12/98

TINY 0001301

Will the attorneys please introduce themselves 1 2 for the record. 3 MR. LEEDOM: This is Bill Leedom, representing the State of Washington, the 4 5 plaintiff. MR. MURRAY: This is Jim Murray, б 7 representing the Tobacco Institute in this lawsuit 8 and the witness at this deposition. MR. BUTLER: Timothy Butler, 9 10 Heller Ehrman White & McAuliffe, representing Philip Morris in this deposition. 11 MR. JACOBI: David Jacobi, 12 Wilson, Smith, Cochran & Dickerson, representing 13 14 Smokeless Tobacco Council. 15 THE VIDEOGRAPHER: The court 16 reporter today is Karmen Knudson. 17 You may swear in the witness and proceed at 18 this time. 19 20 WILLIAM J. FRITZ, having been first duly sworn 21 deposed and testified as 22 follows: 23 1111 24 1111 2.5 //// 5 TINY 0001302 William J. Fritz, 6/12/98

EXAMINATION 1 BY MR. LEEDOM: 2 Mr. Fritz, Bill Leedom representing the State of 3 Washington in this lawsuit brought by the State against the tobacco industry. I'm going to ask 5 you some questions today. If you don't understand 6 7 one of my questions, please let me know and I will rephrase it for you. 8 All right. 9 Α If at any time you want to change an answer to a 10 0 previous question, please feel free to do so on 11 the record. And be sure to answer audibly all of 12 13 the questions so that the court reporter can pick up your answers. "Uh-huhs" and "Huh-uhs" don't 14 work. You have to say "yes" or "no" so she can 15 get a clear response. 16 17 I understand. Α 18 0 All right. Have you had your deposition taken 19 before? 20 Α Yes. 21 So you know basically the ground rules --Q 22 Α Yes. 23 -- that I've outlined? Q 24 State your full name for the record, then, 25 again, and spell your last name. TINY 0001303 6 William J. Fritz, 6/12/98 - by Mr. Leedom

```
It's -- my full name is William J. Fritz,
      A
 2
           F-R-I-T-Z.
           What is your residence address?
 3
            [DELETED]
      Α
 4
 5
           You live on a boat?
 6
      Q
           Floating home.
 7
      Α
 8
           Okay. Houseboat?
           Yeah, we -- 1800 square feet on two levels is a
 9
      Α
           floating home.
10
           What is your occupation?
11
      0
           I'm a government relations consultant and
1.2
      Α
           lobbyist.
13
           What's a government relations consultant?
14
      Q
           A government relations consultant goes perhaps
15
      Α
           beyond lobbying, in that -- for example, I was
16
           under contract to the State of Washington for
17
           several years to teach a course in how a bill
18
           becomes a law and the legislative process. I have
19
           done issue analysis outside of lobbying for
20
21
           clients, that type of thing.
           Okay. And how do you define a lobbyist?
22
           A lobbyist is a professional advocate for a
23
           client, exercising that client's First Amendment
24
           rights to petition their government.
25
                                          TINY 0001304
                                                           7
            William J. Fritz, 6/12/98 - by Mr. Leedom
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Are there any rules of ethics or standards for 0 1 2 lobbyists? There are public disclosure laws, in terms of the 3 Α legal -- in the legal sense. Ethics and that type 4 of thing are pretty much a judgment call on the 5 part of the practitioners. 6 7 Meaning the lobbyists themselves have to decide what's in bounds and what's out of bounds? 8 9 Α Yes. If I may just point out that the only stock 10 and trade that a lobbyist has is facts and truth, 11 and if they go beyond those bounds, they might as 12 13 well hang it up as a lobbyist because it will be found out and their credibility is shot. 14 What's the duty of the lobbyist to ascertain the 15 Q facts of an issue that he is advocating on behalf . 16 17 of a client? 18 Α Their duty is to -- when you are advocating on 19 behalf of a client, is to tell the facts as you 20 know them on -- as you advocate the client's position and be available to answer questions 21 22 about the clients' issue or interests, or about the client themselves. 23 24 Does the lobbyist have a duty to explore an issue 25 and find out all of the relevant facts on that

TINY 0001305

8

issue?

- A well, most lobbyists who are professional will try to know what the opposition is saying and will also try to be -- ascertain all the facts that they can use in advocating their client's position.
- Q I was more interested in whether or not the lobbyist has a duty to find out facts that are contrary to the positions advocated on behalf of a client.
- A Well, if I may repeat myself, a smart lobbyist will try to determine what the opposition position is and so they know what the other side is saving.
- Then you mentioned the word "truth." The other thing the lobbyist has to do is to tell the truth to those he's lobbying, be they a legislator or a legislative committee?
- A Certainly.
- Q And if a lobbyist determines that the truth is something other than the position of his client, what does he do?
- A I think the lobbyist -- I, speaking for myself, would consult with the client and say that, "I cannot take that position on your behalf because I value my credibility too much."

TINY 0001306

So if you found out something that wasn't true, 0 1 you would tell your client what you had found out 2 3 and simply not advocate that position? 4 A Yes. 5 All right. Let's go back to some basic background. 6 7 How old are you, Mr. Fritz? I am 67. Α 8 9 0 Tell us about where you come from. Where were you born and raised, where --10 I was born in Colorado Springs, Colorado. I grew 11 Α up there, left there in -- after I graduated from 12 13 Colorado College in 1955. Did you serve in the military? 14 15 I did, in United States Marine Corps during the 16 Korean conflict. 17 And how many years did you serve in the marine 18 corps? 19 I was a marine corps reservist and called to Α 20 active duty, served on active duty for 18 months 21 and then was released to inactive duty and served 22 in the marine corps reserves for another six 23 years. 24 What was your degree in in 1955 from Colorado 25 College? TINY 0001307 10 William J. Fritz, 6/12/98 - by Mr. Leedom

Business administration banking, with a minor in 1 А 2 speech and drama. And what did you do after the Korean War, in terms 3 of work? 4 5 A I went back and finished college. 6 Oh, okay. 7 I bellhopped at the Broadmore Hotel in Colorado 8 Springs and was working my way through college, and after I got out of the service, I had the 9 10 Korean GI bill, and so I went back and finished. Give us sort of a summary of your employment 11 12 history from 1955 to the present date. 13 Okay. First year was with Firestone Tire and 14 Rubber Company as a management trainee in Memphis, 15 Tennessee, and then ultimately transferred to Seattle. My second year of employment started 16 17 with the Boeing Company, 1956, and I was hired in 18 the industrial relations and management 19 development staff of the Boeing Company. 20 1959, I was asked to join the Boeing Company's 21 corporate public affairs staff as a government 22 relations representative and lobbyist. 23 So I started lobbying in 1959 for the Boeing 24 Company. I continued that course of employment 25 with Boeing until 1972, when I resigned to set up TINY 0001308

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my own contract lobbying firm. And that brings --2 so I've had my own firm for 25 years. What's the name of your firm? 3 Public -- Public Affairs Associates, Inc. 4 Α What's the first time that you worked for a 5 tobacco company or tobacco interest or tobacco-related interest? 7 In anticipation of this question, I was trying to 8 Α go back in my memory, and I think it was in the 9 late '70s or early '80s. I would estimate that 10 perhaps that I was involved with tobacco issues 11 for about 15 years. 12 So that would take us from roughly 1980 until 13 1995, are you saying? 14 Until November of last year. 15 Α Okay. November of 1997? 16 17 Α Right. Again, just in general, which tobacco interests or 18 companies did you work for? 19 20 I was retained under contract by the Tobacco Α 21 Institute. Okay. And when would that first have been, 22 23 approximately? 24 1979. Α 25 And did you enter into a written contract with the TINY 0001309 12 William J. Fritz, 6/12/98 - by Mr. Leedom

Tobacco Institute? 1 Yes. Well, actually -- yeah, it was a contract; a 2 Α 3 letter of agreement, if you will. And do you have that still in your possession? 4 5 No, sir. What happened to it? 6 7 In November of last year, the Tobacco Institute Α 8 decided not to renew our contract. And as is our 9 custom and our business practice in our firm, 10 which is small and operating out of a floating home, we don't have a lot of file space, so when 11 12 we cease to represent a client, we purge our 13 files. 14 So the only thing that we were required to 15 retain were the public disclosure records for five 16 years, under that law, and the rest of our files 17 were disposed of, which is not -- which is a 18 practice, as I say, for other clients that would 19 have terminated us, as well. 20 All right. So you purged your files when, 21 exactly? 22 Α Prior to January of this year. Between November 23 and January, in preparation for the 1998 session 24 of the legislature. 25 Did you know, at the time that you purged your TINY 0001310 13 William J. Fritz, 6/12/98 - by Mr. Leedom

records, that your deposition had been requested? 1 2 Α No. Did you know that your deposition had actually 3 been noticed, scheduled? 4 MR. MURRAY: Counsel, are you 5 representing it was, or you're asking him --6 7 (By Mr. Leedom) In December of 1997. 0 8 Α No. 9 Did you have any discussions, before you purged 10 any of those documents, with any attorney --11 Α No. -- for anybody? 12 0 13 Α No. 14 Other than Mr. Murray, who is here representing 0 15 you today on behalf of the Institute, do you have 16 counsel, legal counsel for your business? 17 Α Depends on which aspect of the business, whether 18 it's corporate or whether it's for some personal 19 needs. We don't have one on retainer, but we have 20 legal counsel who we would call up if needed. 21 Before you purged your files of the Q 22 tobacco-related materials sometime between 23 November and January, did you consult with legal 24 counsel? 25 Α No. TINY 0001311 14 William J. Fritz, 6/12/98 - by Mr. Leedom

1 0 Do you have a written policy for destruction of documents or purging of documents from your files? 2 In a two-person office, no, sir. 3 Α It's not part of your articles of incorporation or 4 whatever articles you work under? 5 6 Α No. 7 0 Are you incorporated in your business? 8 Α Yes. Tell me, Mr. Fritz, what records, documents if you 9 10 will, were in those files that were purged in -between November of '97 and January of '98? 11 There was -- there were tax reports put out by TI 12 Α that are done quarterly on the 50 states, there 13 14 were some economic impact studies done by TI's 15 economist on elasticity and inelasticity of 16 cigarette taxes, there were some brochures that --17 I don't even recall what they were about, they 18 were so outdated. It was just a matter of tossing them. And I think that's about it. 19 20 Were there any notes for meetings you had attended 21 that were sponsored by the Tobacco Institute? 22 Α Notes, not really notes. Every year the Tobacco 23 Institute would bring their lobbyists back to DC or to some other location for a briefing on 24 25 issues, and they would give us a little -- about a TINY 0001312 15 William J. Fritz, 6/12/98 - by Mr. Leedom

1 dossier of -- dealing with those subjects that were discussed at the TI meetings. 2 3 Those were held in Washington, D.C.? 4 A They have been. They've also been held in other 5 nice spots like Arizona. 6 And would the Institute basically bring together 7 its lobbyists from around the country? 8 Α Yes, sir. 9 And this would be done once a year? 10 Yes, sir. 11 And then would lawyers for the Institute make presentations at the meeting? 12 13 MR. MURRAY: You can answer that "yes" or "no," Mr. Fritz. 14 15 А Yes. 16 (By Mr. Leedom) And were there also non-lawyers 17 making presentations at the meeting? 18 Α Yes. 19 And they would hand out some sort of materials, 20 brochures, informational information concerning 21 the issues before the industry at that time? 22 Α Yes. 23 And you had those types of notes and materials in 24 your records and files prior to their purging in 25 November of -- and through January of '98? TINY 0001313 16 William J. Fritz, 6/12/98 - by Mr. Leedom

Not for every year. I only kept the material that Α 1 was pertinent to what was going on in this state 2 3 or that was going to be useful to me. 4 Did you have any public relations handbooks that 5 had been produced by any of the individual tobacco 6 companies? 7 Public relations-wise, no. Handbooks that would set forth the position of a 8 9 company on particular issues related to smoking 10 and health? Not that I recall. 11 Α 12 0 Anything else that you do recall were in these 13 files? 14 Α I think we had samples of the industry's voluntary 15 program to discourage youth from smoking, the "we 16 card" program. I think I had some -- a couple of 17 those brochures and a sample of the poster that 18 they would distribute to retailers. And this was 19 a program that they were very interested in and it 20 was an ongoing program, so I -- I had some of that 21 in there. 22 0 Now, in terms of your relationship with the 23 Tobacco Institute, did you have a contract that 24 you renewed basically each year from 1979, 25 roughly, until the fall of 1997? TINY 0001314 17 William J. Fritz, 6/12/98 - by Mr. Leedom

1 Α Yes, sir. Was it the same basic language of the contract, or 2 0 did it change? 3 4 Α It was basically the same. What were you paid by the Institute for the years 5 6 1979 through 1997? Not enough. I would say, to be -- not to be 7 Α smart, but I -- I retained -- at one point I was 8 9 at \$52,000 and then they reduced that to \$50,000, 10 and that was the last -- amount of my last year. 11 And you're talking about \$50,000, roughly, per 12 year? Yes, inclusive. 13 Α And were there any other monies that were paid to 14 0 15 you by the Institute, such as for expenses? 16 A Yes, for these trips that they required us to -these lobbyist meetings that I mentioned, we were 17 18 reimbursed actual expenses for that. 19 During this time frame, did you work for any other Q 20 tobacco companies or tobacco-related --21 Α No. 22 -- industries? 0 23 Α No. 24 Let's talk about the Institute for a minute. Q 25 Back when you started in 1979, did any of the TINY 0001315 18 William J. Fritz, 6/12/98 - by Mr. Leedom

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1
            individual companies have lobbyists in the state
            of Washington, such as they have had in the more
  2
  3
            recent years?
            Yes.
       Α
  4
            Which ones?
 5
       0
            RJ Reynolds Tobacco, and I'm not sure of the
 6
       Α
 7
            timing so I have to preface this with -- Philip
 8
            Morris had their own lobbyist, but I'm not sure
 9
            that it coincided with the 1979 date. But that
10
            has been pretty much the pattern.
11
       Q
            Are you saying that RJ Reynolds had a lobbyist
            back in 1979 --
12
13
      Α
            Uh-huh. (Witness answers positively.)
            -- individually representing that company?
14
      Q
15
      Α
            Uh-huh. (Witness answers positively.)
16
      0
            But you don't know whether or not Philip Morris
17
            did?
18
      Α
            I can't recall, to be -- to be honest with you.
19
           Did you get together with the lobbyists for the
      Q
20
           individual companies to discuss strategy for the
21
           upcoming legislative sessions?
22
      À
           Yes, it was part of my job.
23
           As a general proposition during this period of
24
           time, how did you determine what the position of
25
           the company was that -- the Institute was that you
                                         TINY 0001316
                                                           19
            William J. Fritz, 6/12/98 - by Mr. Leedom
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were supposed to advocate at the legislature? 1 Basically my job, and the job of those company 2 Д 3 lobbyists, was usually defensive lobbying. Very rarely did the industry take the proactive 4 position to advocate the passage of legislation. 5 The industry was under -- was constantly under 6 7 attack, so to speak, from taxes, environmental tobacco smoke, and things like that. So our 8 9 strategy was pretty much determined by what we had 10 to defend against. So in terms of the issue of taxes, you're talking 11 12 about the proposed increases in excise taxes on 13 tobacco products? 14 State excise taxes, yes. Α State excise taxes. And what position did you 15 16 take on behalf of the industry with respect to the 17 proposed increases in state excise taxes? We opposed them. 18 Α 19 Q And why were they opposed? 20 Α They were opposed for a number of reasons, but 21 basically because there was a fairness issue of --22 for example, cleaning up Puget Sound at eight 23 cents a pack tax proposed for that, where -- why 24 should it be just smokers that pay to clean up Puget Sound. 25

TINY 0001317

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They were opposed also because of the -- when we got into other issues, like the war on drugs or the Basic Health Care Plan, we were reaching a point of diminishing return in the sense of the inelasticity of tobacco taxes.

So one of the jobs that I had was to try to demonstrate to legislators that the higher the taxes went, the less -- the revenue would fall off for the programs that were near and dear to their hearts, such as the war on drugs or the Basic Health Care Plan.

- 0 Were you told by the Institute that if there was an increase in the excise tax, that sales would go down because fewer people would buy the higher-price product?
- Α We weren't -- not specifically about sales. It was basically the economics of showing statistically what has happened as the taxes went up, and obviously if sales go down, then the tax revenue goes down.

There was not a -- I have to say in this state, there was a great concern about increased smuggling from -- as the taxes went up, with some 27 sovereign Indian nations in this state and many military bases, that was constantly a problem for

TINY 0001318

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William J. Fritz, 6/12/98 - by Mr. Leedom

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legitimate retailers. And we tried to point that 1 2 out, too. Back to my question about sales. It sounds like 3 you are agreeing that if the taxes went up, the 4 5 sales of the tobacco products would go down --6 MR. MURRAY: Object -- wait. 7 (By Mr. Leedom) -- thereby resulting in less 8 revenue to the state? 9 MR. MURRAY: Objection to form. 10 You can answer. 11 (By Mr. Leedom) Isn't that what you said? 12 Α I would say legitimate sales; taxable sales would 13 go down. And since taxable sales would go down, the taxable 14 15 sales -- the taxes from that would be less to the 16 State, and that was your argument? 17 MR. MURRAY: Objection to form. 18 Mr. Fritz, when I object to form, you can just 19 answer. I just need time to say it. Go ahead. 20 A Yes. 21 Q (By Mr. Leedom) Now, wouldn't it be true that the 22 Tobacco Institute, your client, was interested in 23 keeping sales at a high level --24 MR. MURRAY: Objection to --25 Q (By Mr. Leedom) -- for purposes of its economic TINY 0001319 22 William J. Fritz, 6/12/98 - by Mr. Leedom

interests and the interests of those who are the 1 2 members of the Tobacco Institute? MR. MURRAY: Objection to form. 3 The Tobacco Institute was not concerned about Α 4 5 sales. It was -- it's an association of the manufacturers. 6 7 I think the companies probably were concerned 8 about sales. This was never funneled into the 9 Tobacco Institute. (By Mr. Leedom) Well, let's talk about the 10 Institute for a minute. 11 12 Do you know when the Tobacco Institute was formed? 13 14 I have no idea. A 15 Do you know what the name of the predecessor 16 company was? 17 Α No. 18 Do you know why the Tobacco Institute was formed? 19 No, I was never told specifically why. It's a Α 20 trade association. 21 Did you know it was formed in 1954? 0 22 Α No. 23 Did you ever hear that it was formed as a result 24 of the issue of the relationship between cancer and smoking and the concern of the industry about 25 TINY 0001320 23 William J. Fritz, 6/12/98 - by Mr. Leedom

1 that? 2 Α No. 3 Never heard that? 4 No. Who were the members of the Tobacco Institute? 5 The cigarette manufacturers, the companies that 6 Α 7 manufacture cigarettes. And how many principal companies are there? 8 Α I only know of the dominant ones. I have no idea 9 10 how many other. But, you know, the obvious ones 11 I'm aware of: Philip Morris, RJR, Brown and 12 Williamson, Lorillard. 13 Liggett? Q 14 Α Liggett. 15 Q American? 16 There is six, weren't there? 17 MR. MURRAY: Objection to form. 18 Α That -- I was never assigned to know that. 19 mean --(By Mr. Leedom) Well, I guess I'm trying to find 20 21 out -- you worked for these companies for 25 22 years, for the Tobacco Institute. I'm wondering, 23 did you ever find out who the members of the Tobacco Institute were? 24 25 MR. MURRAY: Objection to form, TINY 0001321 24 William J. Fritz, 6/12/98 - by Mr. Leedom

asked and answered. 1 2 I was aware of it, but again, I didn't memorize who the members were because all of my instruction 3 and direction and policy came from the Institute. 4 5 (By Mr. Leedom) Okay. But you knew at some point that the Tobacco Institute was a trade 6 7 organization, representing the members or 8 manufacturers in the tobacco industry? 9 Yes. Α 10 Okay. And those are primarily the companies you 11 just mentioned, correct? 12 Yes. Α 13 Q And did you know who sat on the board of directors 14 of the Tobacco Institute? 15 Α No. 16 Q Did you know who set the policies for the Tobacco 17 Institute? 18 Α No. 19 0 Did you know -- or do you believe that the 20 policies of the Tobacco Institute were those that 21 were developed and described by the members of the 22 industry? I think it would be natural to assume that. 23 24 represent several other trade associations, and 25 that's the normal procedure. TINY 0001322 25 William J. Fritz, 6/12/98 - by Mr. Leedom

So back to this question about sales. 1 Q 2 Α Uh-huh. (Witness answers positively.) 3 Didn't you understand that if sales -- taxes, excise taxes went up, that would then necessarily 4 5 reduce sales of cigarettes in the state of Washington that would be taxed by the State? 6 7 MR. MURRAY: Objection to form. 8 Α Yes. Yes, but not necessarily smoking. 9 (By Mr. Leedom) All right. Now, let's go to the 10 next point you made: Smuggling. I heard you mention smuggling. 11 12 Did you ever perform a study to determine what 13 the impact would be if, for example, the price of 14cigarettes went up by a certain number of cents due to an increase in the state excise tax? 15 16 Α I have never done that study, but there have been 17 studies done on that. 18 Have you ever seen such a study? Not for this state. 19 Α 20 Have you seen one for another state? 21 Α Yes. 22 Did you see one for Michigan? Q. 23 Midwest. Α 24 Q Now, who prepared that study? 25 The Tobacco Institute, I believe their economist. TINY 0001323 26 William J. Fritz, 6/12/98 - by Mr. Leedom

So have you ever seen a study that shows an 1 0 increase in smuggling in the state of Washington 2 if the sales tax -- or excise tax on cigarettes 3 4 was increased? 5 I'll try to answer that. I have seen a study that was conducted by the 6 7 Organized Crime Committee for the Washington State Patrol, who was -- whose assignment was to 8 determine the extent of smuggling in the state and 9 untaxed sales. I saw that report, and obviously 10 it had to be related to the -- to the tax, and 11 12 there was reference to that in the report. But it was the Organized Crime Unit of the Washington 13 State Patrol that was -- that conducted that 14 15 study. 16 When was that study done you were alluding to? 17 About three years ago. Α 18 Did you tell any legislators that you thought that 19 an increase in the excise tax on cigarettes was 20 going to result in increased smuggling and sales 21 by Indian tribes? Did you ever tell any 22 legislator that? 23 Yes. Α 24 0 Do you recall who you told that to? 25 Α Committees. TINY 0001324 27

Which committees? 1 Q It was either commerce -- commerce committees and Α 2 3 the revenue committees. Did you actually make a presentation yourself, or 4 did you talk to the committee members individually 5 outside the official committee hearings? 6 7 Both. Α And when did you do this? 8 9 I probably started with that during the big debate 10 and the hearings on the war on drugs. What year was that? 11 I don't recall. It was during -- which governor? 12 Α I think it was Governor Gardner. And this was 13 14 pretty much a standard presentation on the inelasticity, and particularly in this state when 15 they were -- there were so many other outlets for 16 17 the purchase of lower-cost tobacco products. 18 Now, at the time you were making these presentations to these committees in the Gardner 19 20 administration, did you have any study or any 21 information to support what you were saying? 22 We had the statistical data done -- as I 23 mentioned, the state tax reports -- and we had it 24 for the state of Washington and it was easy to 25 show trend lines that correlated to tax increases. TINY 0001325 28 William J. Fritz, 6/12/98 - by Mr. Leedom

We had news clips, if you will, from Department of Revenue raids and state patrol raids on truckloads of smuggled cigarettes, or contraband cigarettes coming across the border, into the state.

There was significant evidence that the state was primed, because it had the highest cigarette tax in the nation, for smuggling and contraband sales.

Q But my question was: Was there any study that you had concerning the issue of smuggling that you presented to the commerce committee or the revenue committee back in the Gardner administration?

MR. MURRAY: Counsel, in fairness to your question, it was any study or information. I object to the form.

MR. LEEDOM: Okay.

- A I reflect back to what I said earlier; we had seen actual studies of what happened in the midwest between Indiana, Michigan, Illinois. We also were privy to the Canadian situation where the Canadian \$6.00-a~pack tax generated tremendous smuggling and crime, which was documented on national television.
- Q (By Mr. Leedom) Okay. Now, let's go back to a more general question.

TINY 0001326

When you would lobby on behalf of the Tobacco 1 Institute --2 Uh-huh. (Witness answers positively.) 3 -- on a particular issue, be it taxes, youth 4 5 access, or fees charged to store operators, who б would you go and talk to? Who would you lobby? 7 Α May I ask you what you mean by "fees"? 8 The fees, for example, when there was a proposed 9 bill to impose a \$500 fee on people that owned 10 stores that sold cigarette products. Do you 11 remember that particular bill? 12 Α I wasn't involved in it. 13 Okay. You've been involved in limitation on youth 14 access bills? 15 Α Yes. 16 0 And you've been involved in tax bills? 17 Α Yes. 18 Just take those. 19 Α Sure. 20 Who would you go and advocate to on behalf of the 21 Tobacco Institute? 22 Α Standard operating procedure for tobacco or any 23 other of my clients is to talk to committee chairs 24 and the members of the standing committee to which 25 those bills are referred, hopefully leadership TINY 0001327 30 William J. Fritz, 6/12/98 - by Mr. Leedom

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on -- in both parties, if you can get into -- if 1 2 you can get an appointment. And so there is committee testimony and there is one-on-one 3 discussions. 4 And when you say "leadership," who would you be 5 referring to? 6 7 In each house, there is, for example, the speaker A of the house and there is the minority leader, 8 there is the caucus chairs, and then I mentioned 9 earlier the committee chairs of four, the 10 committees that are germane to that issue. And in 11 the senate, you have the senate majority leader, 12 senate minority leader, caucus chairs. That's 13 what I mean by "leadership." 14 15 Okay. And you said there are four committees. Q What would be the four committees? You mentioned 16 17 commerce and revenue before, but what are the other two? 18 19 Two in each house. Α 20 Q Oh, two in each house, senate and house 21 commerce --22 Yes. Those are principally -- occasionally there Α 23 were bills before the health house -- health care 24 committee, and that's Basic Health, obviously 25 Basic Health Plan for the state. So there would TINY 0001328 31 William J. Fritz, 6/12/98 - by Mr. Leedom

be really -- that will be a key committee in that area, and there would be a health committee in the 2 senate and in the house. 3 Now, if we went back and looked at who would be 4 Q the committee chairs for those two committees, 5 house and senate, then who would be in these 6 7 leadership positions for the 25 years that you worked for the Tobacco Institute, we would be able 8 to identify probably all of the individuals in 9 10 those categories that you did speak to in that 11 25-year period; is that correct? 12 Α Yes. 13 Probably nobody was left out in that 25-year Q 14 period? 15 Α I don't understand that. 16 Well, there probably wasn't a house speaker or 17 committee chair that you didn't talk to in that 18 25-year period on a tobacco issue; would that be 19 fair? Α 20 There were some who wouldn't talk to me. 21 Q Who wouldn't talk to you? 22 The chair of the Senate Health Care Committee, for 23 example, who was not interested in our point of 24 view. 25 Who was that? TINY 0001329 32 William J. Fritz, 6/12/98 - by Mr. Leedom

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Α
            I believe it was Senator Phil Talmadge.
 1
            And why did former-senator, now-Justice Talmadge,
 2
            not want to talk to you?
 3
            I think he was -- had his mind made up and felt
            that anything that we had to say wouldn't be of
 5
            value to a predisposition.
 6
            Anybody else that you can recall specifically in
 7
            one of these leadership positions or committee
 8
            chair positions or committee member positions that
 9
            just wouldn't talk to you in that 25-year period?
10
11
      Α
            I can -- I can't remember whether Dr. Moyer was --
            he was never a committee chair because the
12
            republicans were in the minority in those years,
13
14
           but there was certain legislators who were
15
           obviously identified as being so anti-tobacco that
16
           you couldn't even talk to them.
           Dr. Moyer is Dr. John Moyer from Spokane?
17
18
      Α
           Correct.
19
           And he is a state senator?
20
      Α
           He was.
21
           Was a state senator?
22
      Α
           Uh-huh. (Witness answers positively.)
23
           Anybody else that you can specifically name who
           just wouldn't talk to you because the point of
24
25
           view you were advocating?
                                           TINY 0001330
                                                           33
            William J. Fritz, 6/12/98 - by Mr. Leedom
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1 Α Yes. 2 Who else? Representative Georgette Valle, democrat, house 3 member. 4 5 Anvone else? Up through the current time or --6 Α 7 Up until you quit doing the work. 8 Α Senator Bob Oke from Kitsap County. 9 Anvone else? 10 I can't think of any. Those are the ones that are 11 most prominent in my mind. 12 And was there a common theme, a reason why these individuals would not speak to you? 13 14 They were anti-tobacco. 15 When you say "anti-tobacco," what do you mean? 16 Α There was no redeeming value in the product or the 17 industry, in their minds. 18 Oh, I can add one other I just thought of. 19 Senator West, Jim West, from Spokane. 20 0 Now, let's look at the other side of the equation, 21 those that were, shall we say, receptive and most 22 receptive to listening to the point of view you 23 were advocating on behalf of the Tobacco 24 Institute. Who would those people be? 25 Α Most legislators will afford a lobbyist, whether TINY 0001331 34 William J. Fritz, 6/12/98 - by Mr. Leedom

they -- no matter who they're lobbying for, the courtesy, if they can work them into their schedule, of listening to what that lobbyist has to say. I say "most." And, indeed, if you talk to a legislator, they'll point out that they form their opinions by listening to lobbyists on both sides.

And so you might have more or less time given to you, you know, with certain legislators, depending on the circumstances. But the majority of them do try to listen to both sides.

- Q And again, just so we're clear, when you say the majority of them, are you referring to those committee chairs, committee members of these two committees and the leadership people?
- A Yes.

- Q All right. Would there be a group of legislators, house and senate members, that you simply wouldn't talk to because they're not in the -- in the area or on the committees that are of interest to you?
- A No. As -- as a bill progresses through the process, through the legislative process, it is a majority rule game. And so, again, going back to my seminar that I ran for state management -- state managers, you use a pyramid approach where

TINY 0001332

you start up here with the leadership and the committee chairs, and so on, and you work your way down to the last -- last row of freshmen legislators, because they all have a vote. But you're limited by your time and your ability to get appointments to talk to those people.

- All right. But over a 25-year period, then, you probably talked to most of the legislators about your positions you were advocating, other than the few that you've identified that just wouldn't talk to you?
- A I was so labeled as Mr. Tobacco for all those years, that then -- there were very few new issues that I -- I did not have to go through this process year after year after year. They pretty much would know where -- where my client was coming from.

And -- but I think it's safe to say that over 25 years, I have talked to most legislators and made attempts to talk to those that I've identified.

Back to my earlier question: Were there any particular legislators who you could count on to advocate, at a committee or on the floor, the tobacco position?

TINY 0001333

No. There were some legislators who smoked, and irregardless of what I would say to them or what information I'd provide to them, they were defensive of their own personal habits, I think particularly Representative P.J. Gallagher, who is now deceased, a democrat from Tacoma, who smoked in committee hearings, who smoked on the floor of the house. And, of course, as you would know, this is not allowed anymore.

Α

There was Senator Peterson, Lowell Peterson, who smoked at will. So I guess I can only answer your question by saying that a lot of -- most of the legislators would hear both sides and -- on an issue and make up their minds, the difference being the access, the ability of -- of the various lobbyists on either side to present their case and to have credibility with those legislators.

So, Mr. Fritz, are you telling me that there were no individual legislators in that 25-year period who you could go to with the position of the Institute and the industry, who would willingly advocate that position in a committee or on the floor?

MR. MURRAY: I'm going to object to the form, just on the record. We've gone from

TINY 0001334

the 15 years to 25 years for the industry, and I 1 think your earlier testimony was a shorter period. 2 THE WITNESS: Yeah. 3 4 MR. LEEDOM: Is that your objection, because I can --5 MR. MURRAY: Yes, that's my only 6 7 objection. (By Mr. Leedom) You said 25 years earlier, and 8 maybe I didn't catch it right. '79 --9 I had my own business for 25 years. 10 Α That's right. 11 '79 until '97, would actually be 18 years. 12 13 Uh-huh. (Witness answers positively.) Α 14 So can we just agree on 18 years? That's fine. 15 Α And then I'll correct the record --16 17 That's fine. Α 18 -- earlier. I don't want to have anything 19 incorrect here. 20 So during that 18-year period when you were 21 the lobbyist for the tobacco industry and were known as Mr. Tobacco, was there -- were there any 22 23 particular legislators that you could count on to 24 sort of carry the position of the tobacco industry 25 in a committee or on the floor? TINY 0001335 38 William J. Fritz, 6/12/98 - by Mr. Leedom

MR. MURRAY: Objection to form.

My response would be there were legislators -again, I mentioned some -- who smoked, some who
were defensive of that proclivity, who often would
seek me out to say, "Here's what they're saying
about this issue. How should I respond to that?"
Okay? So that's one of the jobs of a lobbyist, is
provide information, arguments if you will, to
legislators upon request.

Α

There was no one, not one legislator, that I could say, "Well, we don't have to talk to this legislator because he is definitely on our side." We always counted votes. And some of the legislators who were sympathetic were easier to talk to, obviously. They were easy to get appointments with, obviously.

There are some that wouldn't talk to you or they'd say, "Hey, I don't -- I don't believe in smoking and you're wasting your time with me."

And they weren't necessarily anti-tobacco; they just didn't want to hear us.

(By Mr. Leedom) And you told me the ones that were the ones that wouldn't listen because they were anti, and you've given me a couple of names who were smokers, who maybe, I gather, you're

TINY 0001336

saying were receptive to your arguments, or sought 1 you out for positions. 2 Can you name any others? 3 4 That were smokers? Α Well, others that were receptive to your 5 6 positions, who would listen to what you said, who 7 would seek you out. Senator Bill Smitherman now, who is no longer in 8 the senate, a democrat from Tacoma, Senator Frank 9 Warnke, who was chair of the Senate Commerce and 10 Labor Committee. 11 I'm not sure if this fits within this time 12 13 frame, though, that I'm naming these people, 14 within your time -- the window of your time. 15 again, it was just a human tendency, I think, for the legislators who did smoke to be more friendly 16 17 on our issues than those who didn't smoke. 18 And you mentioned Peterson was one and Gallagher 19 was another one? 20 Uh-huh. (Witness answers positively.) Smitherman, Α 21 Warnke. 22 Why were you known as Mr. Tobacco? 23 MR. MURRAY: Objection to form. 24 Go ahead. 25 I was labeled that by the antis, or the TINY 0001337 40 William J. Fritz, 6/12/98 - by Mr. Leedom

anti-tobacco forces, among other things:
Dr. Death, peddler of cancer.

2.5

That's why, when you asked me how much my fee was earlier, I said "not enough," because I took a lot of grief over representing this client.

- Q (By Mr. Leedom) I was going to come back to the "not enough" statement. Explain that to me.
- A Well, in terms of the -- the grief and the -- and the criticism, no one likes to be called a peddler of cancer. There was a lot of attention focused by the media; "Tobacco Lobbyist Has King Size Reputation" was one headline, showing me talking to Governor Lowrey, you know, that type of thing.

And then we had, from the anti side, a fellow called Dr. Butts, who would dress himself in a silly cigarette costume and show up at committee hearings and accuse the industry and myself personally, make personal attacks.

We also know that in our business, which is, again, contract lobbying, we were not approached by certain potential clients because we represented tobacco. So there was, I think, an economic loss to our firm over the years because we did represent tobacco. But we're loyal to our clients and that's just part of the game; you take

TINY 0001338

on a client and you take on that client's baggage 1 or, you know -- or the good points. 2 Let's talk about what those issues were in that 3 18-year period, principal issues, that you 4 5 addressed on behalf of the tobacco industry. 6 Certainly taxes, that was always dominant; Α 7 environmental tobacco smoke, the -- I can't name specific bills that involved that; the privacy 8 issue of whether or not employers could and should 9 10 discriminate against either potential employees or 11 employees on their payroll for activities off the 12 job, such as smoking or drinking. 13 Q Okav. 14 Α The youth access issue was -- it was a supportive 15 role, for TI to support the retailers. 16 said, we had a voluntary program for which TI 17 provided the placards and brochures and various 18 printed information to -- to get retailers to 19 participate in the program to discourage kids --20 underage kids from smoking. That was an issue. 21 Q What about penalties? Would you include that 22 under the youth access? 23 Α There -- there was a bill that did ultimately 24 pass, that imposes -- in fact, it went into effect 25 yesterday, I just saw on the news, that imposes a

TINY 0001339

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\$50 penalty on an underage person found smoking.

That was the number one issue for the convenience stores. And I never became involved actively in that, except in a supportive role, or if legislators asked me if it's a good idea.

- Q So those would be the major issues that you dealt with in that 18-year period?
- A Yeah. Advertising would be another one.
- Q Billboard advertising?

Any kind of advertising. And if I may broaden this a little bit, we also represented Anheuser-Busch. My wife lobbied for them, I lobbied for tobacco, and there were, from time to time, assaults on commercial-free speech in one form or another on advertising prohibitions.

And again, if you called upon me to name a specific bill, I can't, but those were other issues that we -- if we had a list, that would be on the list.

Q Let's go through some of these issues.

We've already talked a little bit about the tax issue, but as I understand your testimony earlier -- I believe the record would reflect that you, on behalf of the tobacco industry, opposed any increase in state excise taxes; is that true?

TINY 0001340

1 Α Yes. In fact, at one point, was there a bill proposed 2 3 that would have reduced the taxes, state excise 4 taxes? 5 By the tobacco industry coalition, not necessarily Α by TI. 6 7 Yes. There was -- yes, it was on the table. 8 Α 9 And TI supported that reduction of state excise 10 taxes? Yes, because others that were in that same tax 11 Δ 12 package, such as the hospitals and some medical providers and the soft drink people, were getting 13 tax cuts, and we felt it only fair and equitable 14 that tobacco enjoy similar tax cuts. 15 16 Can we conclude that at no time did you, on behalf 17 of the tobacco industry, ever advocate an increase 18 in state excise taxes on tobacco products? 19 That's correct. Α 20 Now, let's talk about environmental tobacco smoke 21 for a minute. 22 What was the position of the industry on 23 tobacco -- on environmental tobacco smoke, ETS? 24 MR. MURRAY: Mr. Fritz, at this 25 point, I just want to caution you, because I don't TINY 0001341 44 William J. Fritz, 6/12/98 - by Mr. Leedom

know all the facts, but for the record, the court has limited questioning in this deposition to matters before June of 1996. So if you could bear that in mind, I don't know the fact matters and I don't -- if you have an issue on that, if you can just turn to me and I'll raise the issue.

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MR. BUTLER: And in addition, for the record, I'd like to caution the witness not to discuss any matters that may have been discussed with counsel for the litigants in the pending environmental tobacco smoke rule making challenge that's before the supreme court and which my law firm handled and continues to handle.

So would you make sure, Mr. Fritz, that you do not disclose any conversations or any communications from counsel with respect to that litigation.

THE WITNESS: Okay.

- Q (By Mr. Leedom) ETS, what was the position of the industry on ETS, environmental tobacco smoke?
- A Essentially that the studies were flawed, statistically flawed. That has been publicized quite a bit, I think, from the World Health Organization being the most recent one.

There was great interest in clean indoor air;

TINY 0001342

by that, I mean promoting proper air filtration, circulation, and so on, to take the onus off tobacco smoke. I -- I don't remember the time frame, but there was a very detailed study done in New York City when they banned smoking in restaurants, or proposed to, that showed the smoke and grease from the kitchen was far more harmful, in terms of its components, or far more prevalent than tobacco -- than ETS.

Those were the kinds of things that -- and this was a secondary thing for us. It's usually involvement that came from the Restaurant Association or the tavern owners who were under the gun on this issue.

- You mentioned that studies were flawed. Did you ever review, personally, any study concerning environmental tobacco smoke and the effect on the human body or those that were inhaling that smoke?
- A I was -- I had a copy of the entire study and read through that, and --
- Q Which study is that?
- A I think it was the FDA study.
- Q What year was that, approximately?
- A I don't remember.

Q Did you tell a legislator that that FDA study was

TINY 0001343

flawed? 1 2 No, I didn't have to. 3 Why not? Because there was enough publicized criticism of 4 the study process and the deviation from the 5 standard -- error deviation, statistical-type 6 7 analysis, that it was published in the media. I'm just trying to focus on, Mr. Fritz, your 8 Q statement that studies concerning environmental 9 tobacco smoke were flawed and that you told that 10 to legislators. I'm trying to find out which 11 12 studies -- what were the flaws, who did you tell? MR. BUTLER: Well, objection --1.3 14 excuse me. Objection; the question misstates the 15 witness's testimony. 16 I don't think I said I said that to legislators. Α 17 (By Mr. Leedom) Okay. Let me -- let's go back to 18 that. 19 Did you ever tell any legislator that studies 20 concerning environmental tobacco smoke were 21 flawed? I don't recall that I did. 22 Α 23 What did you tell legislators concerning 24 environmental tobacco smoke, that you were -- when 25 you were advocating the position of the industry TINY 0001344 47 William J. Fritz, 6/12/98 - by Mr. Leedom

on behalf of the Institute and the other members of the Institute?

A I think basically what I was doing, if I did share any information with legislators -- I don't recall testifying on ETS, but I do recall disseminating some information from the various studies that were done on clean indoor air, or dirty indoor air.

There was an indoor air consultant firm, I can't remember the name, I think it was called Clean Air, Inc., or something like this, that was involved in studies. And so if there was a study that was obviously going to make a case that ETS was not as harmful as -- as stated by the anti-tobacco people, then I would, if it was appropriate, distribute that information.

- Q There is a company called Clean Air, Inc.? Is that what you said?
- A They used to be -- yeah. They're out of Australia and they're in -- they were retained by the Restaurant Association in New York, for example, to do that study on restaurant smoke. And I think they also were retained by the State of Washington at one point to do a study before the state, totally ban indoor smoking.

TINY 0001345

They did a study -- and again, I can't 1 2 remember the name of the firm, but they were --3 MR. MURRAY: Wait, Counsel, 4 don't interrupt. 5 THE WITNESS: Hm? MR. MURRAY: I was just asking 6 7 counsel not to interrupt. But they were a consultant not only to Tobacco 8 9 Institute but to the State, to John Hopkins University, to a number of buildings around here. 10 One thing that stands out in my mind was the 11 study that they did on one building here in 12 13 Seattle right after Mount Saint Helens erupted. 14 People were getting sick, complaining of 15 headaches, nausea, so forth, so they brought in 16 this firm to study the indoor air. And they found 17 out that when the ash was in the air, that the maintenance manager had covered the air -- fresh 18 19 air intakes with tarps to prevent the volcanic ash 20 from coming in, and then forgot that he had done 21 this, and so there was no fresh air being drawn 22 into this building, just old air being 23 recirculated. 24 And I know that deviates a little bit from my 25 answer, but that was the same company that did TINY 0001346

William J. Fritz, 6/12/98 - by Mr. Leedom

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many of these studies on ETS. 1 (By Mr. Leedom) Are you aware that some of the 2 studies that were done on ETS were actually done 3 by companies owned and operated by the tobacco 4 5 industry? MR. BUTLER: Objection; assumes 6 facts not in evidence. 7 8 Α I'm not aware of any. (By Mr. Leedom) Okay. Now, staying with this 9 10 issue of ETS, what representation did you make to 11 legislators on the issue of environmental tobacco 12 smoke? 1.3 Α In testimony or in -- in one-on-one conversations 14 over a beer? What would -- in what context? 15 I think you've already said you did not testify. 16 Α Right. 17 So it would have to be on a one-on-one, the 18 personal meetings with committee members, house 19 leadership, senate leadership. What did you say 20 to them? 21 Α If this issue came up in a general discussion, I 22 would point out that I personally did not -- from 23 what I had seen and read, I personally didn't 24 believe that ETS was as harmful as being claimed 25 and -- basically that was the point, I think. TINY 0001347 50 William J. Fritz, 6/12/98 - by Mr. Leedom

Would you tell the legislators that you were 1 0 talking to that you did believe ETS, environmental 2 tobacco smoke, was harmful but not as harmful as 3 claimed? 4 Not in those words. I would basically point out 5 6 that there may be some effect, but that certainly 7 it wasn't as bad as being portrayed. What was your basis for saying that? 8 MR. MURRAY: Objection; asked 9 10 and answered. Go ahead. 11 From the published critiques that I had seen on 12 13 the initial study on ETS and, quite frankly, from 14 my experience at Boeing --15 (By Mr. Leedom) Had you seen -- I'm sorry. -- with ETS in aircraft. 16 Α 17 Believe it or not, they used to count 18 on -- when they allowed smoking on airplanes, they 19 used to count on detection of leaks by seeing the 20 little brown streaks or stains coming out of rivet 21 holes or that type of thing. 22 And we also know that airlines, and to this 23 day, even after they banned smoking, don't bring 24 in proper fresh air because it takes extra fuel to 25 run the auxiliary power units and, therefore, you TINY 0001348 51

get a lot of people with Legionaire's disease or a 1 whole plane load of sick people because you're 2 just recirculating the same old dead air. 3 Mr. Fritz, did you see any studies on 4 5 environmental tobacco smoke which demonstrated that environmental tobacco smoke causes lung 6 cancer and other smoking-related diseases? 7 Α I have seen claims -- I don't know that they were 8 studies -- from the state health department, from 9 the American Cancer Society, from the Heart 10 Association, from the medical associations. 11 Yes, 12 there were those claims. Did you assert to legislators in these personal 13 conversations that those claims that ETS causes 14 lung cancer and other smoking diseases were not 15 16 accurate and ill-founded? 17 MR. MURRAY: Objection; asked 18 and answered. I would basically say don't take them at face 19 Α 20 value, that the -- that the process was 21 questionable. 22 (By Mr. Leedom) Now, did you learn, in your 0 23 analysis of this ETS issue, that environmental 24 tobacco smoke is identical, in terms of its 25 components, to smoke that an individual takes in TINY 0001349 52 William J. Fritz, 6/12/98 - by Mr. Leedom

when smoking a cigarette? 1 MR. MURRAY: Objection --2 MR. BUTLER: Objection; assumes 3 facts not in evidence, lacks foundation. 4 5 Q (By Mr. Leedom) Go ahead. Would you repeat the question? 6 Α MR. LEEDOM: I'll have her read 7 it back. 8 (Question on Pages 52-53, 9 Lines 22 through 1, read 10 by the reporter.) 11 12 13 Α No. (By Mr. Leedom) Do you think there is a 14 0 difference between environmental tobacco smoke and 15 the smoke that an individual takes into his or her 16 lungs when smoking a cigarette? 17 MR. BUTLER: Same objection. 18 Go ahead. 19 20 Α Yes. 21 (By Mr. Leedom) What's the difference? Q 22 Α The body processes smoke that is taken directly 23 and changes it. I'm not a scientist and I'm not 24 scientifically qualified, but I do know that as a 25 smoker for all these years, that my wife has never TINY 0001350 53 William J. Fritz, 6/12/98 - by Mr. Leedom

complained about it. 3 Mr. Fritz, I wasn't asking what happens when the 2 0 smoke gets inside the body. I was asking whether 3 4 or not you have any evidence or proof that there is any difference in the smoke itself that goes 5 into the body, be it from a cigarette or from 6 7 smoke from cigarettes that have been smoked by other people, also known as environmental tobacco 8 9 smoke? No, I don't have any evidence. 10 How many cancer-causing agents are in tobacco 11 12 smoke in cigarettes? 13 MR. MURRAY: Objection to form. 14 MR. BUTLER: Objection to form, lacks foundation, calls for speculation. 15 16 MR. LEEDOM: It certainly 17 doesn't lack foundation. 18 (By Mr. Leedom) Let me ask you this: Have you 19 ever seen any piece of information, from any 20 source, which indicates that tobacco contains 21 carcinogens or cancer-causing agents? 22 Yes. Publications, yes. 23 So you've seen those? 24 Uh-huh. (Witness answers positively.) 25 Now, what have you seen and what have you learned TINY 0001351 54 William J. Fritz, 6/12/98 - by Mr. Leedom

1 from your reading on that subject? The claims that you've already identified about, 2 carcinogens and so forth, that -- that it was 3 harmful and that type of thing. 4 Do you believe that tobacco contains 5 cancer-causing agents? 6 MR. MURRAY: Objection to form. 7 It's also outside the scope of the deposition, but 8 9 I'll let it go a little bit. Go ahead. 10 Oh, I'm not a doctor, but I do believe -- my 11 Α personal belief, okay, is that for some people, 12 13 yes; for others, no. If -- I believe that genetically if you have 14 a propensity toward cancer or some other such 15 16 disease, that there may be chemicals that could 17 affect that. (By Mr. Leedom) Is that what you told 18 Q legislators? 19 20 Α No. It's my personal belief. And what did you tell legislators on the subject 21 Q 22 of whether or not cigarette smoking causes cancer? 23 Α Nothing. 24 Why didn't you tell them anything? 0 25 MR. MURRAY: Objection to --TINY 0001352 55 William J. Fritz, 6/12/98 - by Mr. Leedom

Didn't have to. There was an overabundance of А 1 2 information and data put out by the state health 3 department, Washington State Medical Association, the Lung Association and the Heart Association, to 4 5 the point where it was always, in my opinion, overkill, in my professional opinion as a 6 7 lobbyist. 8 There was so much information, that it was 9 overwhelming. There was so much information, that 10 you -- and perhaps extreme positions in that 11 information, that the other side, I might say, of 12 those organizations that I just mentioned 13 overkilled and hurt their own credibility. 14 (By Mr. Leedom) Was it your job, as Mr. Tobacco 15 for the tobacco industry, to negate the 16 information that was being put out by the 17 Washington State Medical Association, the Lung 18 Association, the Heart Association, and the like? 19 Α No. 20 MR. MURRAY: Objection to form. 21 No, I didn't. It was not my job and I didn't have Α 22 to. 23 (By Mr. Leedom) Did you make any attempt to do 24 50? 25 Α No.

TINY 0001353

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Well, for example, when you were talking to
            legislators about the claim that environmental
            tobacco smoke causes cancer, didn't you attempt to
 4
            counter that by suggesting they look at different
            studies and different pieces of information?
 5
            I don't recall that ever being the subject of
      Α
 6
 7
            legislation. Okay? And -- but it was always a
            topic of discussion. So when I was asked about
 8
 9
            it, I would give my opinion.
10
            In terms of your own views -- now, you've been a
      0
11
            smoker?
12
           Yes.
      Α
13
      Q
           Are you still a smoker?
14
           Yes.
      Α
15
           And when did you start smoking?
      Q
16
      Α
           Probably when I was 15.
17
           And have you ever not smoked --
      Q
18
      Α
           Yes.
19
           -- in the last 60 years?
      0
20
           Yes -- in the last 60?
      Α
21
      0
           No, no. 50, I'm sorry.
22
      Α
           Yeah.
23
           You're 67.
24
           Yes, when I was in boot camp in the marine corps,
           we weren't allowed to smoke. And I've had some
25
                                         TINY 0001354
                                                           57
            William J. Fritz, 6/12/98 - by Mr. Leedom
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surgeries, nothing smoking-related. When I was in 1 the hospital, there were -- hospitals wouldn't 2 3 allow smoking. 4 So other than those periods, you've smoked continuously for over 50 years? 5 6 Α Yes. 7 MR. MURRAY: I'm going to object -- excuse me. Just for the record, I'm 8 9 going to object to this as outside the scope of 10 the judge's order. Just to abbreviate things, I'm going to say "object to scope," and that's what I 11 12 mean by that. 13 MR. LEEDOM: That's fine. 14 MR. MURRAY: Go ahead. 15 (By Mr. Leedom) What types of cigarettes have you 16 smoked? 17 MR. MURRAY: Objection to scope. 18 Well, there were the government-issue cigarettes 19 during the marine corps, and that was potluck. I 20 then, you never knew what brand you were getting 21 in your sea rations. Basically I smoked Camels, 22 tried various types of cigarettes. 23 In the military, you had to kind of take what 24 was available, and ultimately I probably smoked 2.5 Camel, Chesterfields, I've tried those, I've tried TINY 0001355 58

1		Salem, and my current brand is Parliament 100s,
2	ļ	Light 100s.
3	٥	How long have you been using Parliament Light
4		100s?
5		MR. MURRAY: Object to the form.
6		Go ahead.
7	A	About ten years.
8	Q	(By Mr. Leedom) And why do you smoke that
9		particular type?
10		MR. MURRAY: Objection to scope.
11	A	I like the taste.
12	Q	(By Mr. Leedom) Now, have you ever had a
13		smoking-related disease?
14	A	No.
15		MR. MURRAY: Objection.
16		Go ahead.
17	A	No,
18	Q	(By Mr. Leedom) And you mentioned your wife.
19		Does she smoke also?
20		MR. MURRAY: Objection
21	A	No, she doesn't.
22		MR. MURRAY: Could you wait just
23		a minute?
24		THE WITNESS: Oh, I'm sorry.
25	Q	(By Mr. Leedom) You have to give him time to
		TINY 0001356 59
į		William J. Fritz, 6/12/98 - by Mr. Leedom

interpose his objection.

Now, do you believe that cigarette smoking causes cancer?

MR. MURRAY: Objection.

- A My personal belief is it may for some and it may not for others.
- Q (By Mr. Leedom) Do you think that's an open question?

MR. MURRAY: Objection.

A I don't think the medical profession could answer that question, you know, specific -- you know, without qualifications.

I've had friends who didn't allow smoking in their own home die of lung cancer. The fellow that -- whose family just won the case in Florida for a million bucks was 67 years old and he smoked for less time than I have. And I'm a scuba diver, I take a physical every year, and my internist is, quite frankly, amazed at my condition for age 67.

So I can't -- I can't explain, except I think one day that scientists and -- medical scientists will determine some genetic patterns where people -- where some people probably should never smoke, and there will be evidence that for others it's not going to be death-causing.

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(By Mr. Leedom) Now, have you ever spoken to any 1 0 2 legislator on the subject of whether or not you 3 believe cigarette smoking causes cancer? 4 Not really. Α We had a good friend in the legislature who 5 6 smoked, who died of lung cancer. And immediately 7 two of -- of my legislative acquaintances who smoked quit because of that. And to this day --8 and they just quit cold turkey, and from being 9 10 pretty heavy smokers. But that frightened them 11 and so on, and they just -- they just stopped. And, of course, these are -- you know, over 12 the years you develop friendships, and these 13 14 friendly legislators were telling me I should 15 quit, and I chose not to. But... (Pause.) 16 Have you ever tried to quit? Q 17 MR. MURRAY: Objection. 18 Α No. 19 0 (By Mr. Leedom) Now, do you believe that tobacco 20 products are addictive? 21 MR. MURRAY: Objection. 22 Α I believe they're habit-forming, because in 23 your discussion of addiction, I don't think there 24 is any parallel to some of the addictive drugs. 25 I got hooked on Percodan after I broke my leg TINY 0001358 61 William J. Fritz, 6/12/98 - by Mr. Leedom

skiing. This is a pain reliever with a very good addictive quality in it, and I found myself, even after the cast was off and my leg was healed, I was carrying the Percodans with me in my briefcase just in case I felt pain, but I was -- I was addicted to that.

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As I mentioned earlier, I have had occasions where I've had to stop smoking, and, yes, you miss it, but it's not -- doesn't have the same addiction -- addictive properties.

As a matter of fact, the thing that I think I've missed most when I was in the hospital was real coffee, because I -- I enjoy my coffee in the morning. But I think you have to -- in my mind, I carefully think you have to draw the line between the addictive properties of drugs versus caffeine, nicotine, that type of thing.

- Q (By Mr. Leedom) Have you ever told any
- legislator, including your smoking cohorts that
 you alluded to earlier --

MR. MURRAY: Objection to form.

Q (By Mr. Leedom) -- that you don't believe that tobacco products are addictive?

MR. MURRAY: Objection.

Q (By Mr. Leedom) In other words, have you told

TINY 0001359

them what you have said to us today? 1 Not in any formal sense. We've had -- as I say, 2 we've had discussions over beer or over coffee, 3 and -- I know more people, including our son, who 4 have quit cold turkey than I know of people who 5 are on the Patch or on the Nicorette, et cetera. 6 So I -- and the legislators that I mentioned that 7 just quit after their friend died would disprove 8 the addictive nature of the -- I think that 9 I've -- personally observed more evidence of the 10 distinguishable -- line distinguishable between 11 the addictive drugs and nicotine. 12 My question, though, Mr. Fritz was have you ever 13 told any legislator what you've just told us about 14 your feelings about addiction and tobacco 15 products? 16 Only in personal, informal conversations. 17 18 Okay. You've never made that on the committee 19 floor -- is that what you're saying? -- in a 20 speech? 21 No, or pertinent to any legislative issue. 22 But you have made such statements in one-on-one 23 meetings with legislators over the years? 24 MR. MURRAY: Objection to form. 25 MR. BUTLER: Objection; TINY 0001360

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misstates the witness's testimony.

O (By Mr. Leedom) Go ahead.

- A I wouldn't call it meetings.
- O What would you call them?
- A Well, if you could follow me around for a day in Olympia, you'd see that we take time out to have coffee. After we come off the hill, stop in at the Best Western Alladin for a beer, and legislators -- a lot of lobbyists and legislators live at the Best Western Alladin. So they come in, see you, sit down, and then we'd start conversation, baseball, basketball, whatever, or if something had occurred as an issue or was in a media publication regarding tobacco or something, it would logically come up.

Obviously the death of the legislator was a very -- was high in the -- on the minds of legislators for -- these legislative friends for quite some time. And as I say, they were after me to quit smoking.

So I distinguish between my off-the-hill activities, that are non-lobbying, versus formal lobbying and presentations to legislators.

I have -- because of the type of work I do, most of my friends, and our family friends, are

TINY 0001361

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legislators or other lobbyists, because that's our 1 world. So when issues come up, whether it be over 2 a beer or whether it's something else, it's a 3 person-to-person discussion. 4 I am very careful to distinguish when I make 5 a -- when I'm representing my clients' position on 6 something versus my own thoughts. 7 MR. MURRAY: Counsel, can we 8 9 take the morning break when you get a chance? MR. LEEDOM: I want to just 10 finish this one section --11 12 MR. MURRAY: Sure. 13 MR. LEEDOM: -- and then that would be a good time. 14 15 (By Mr. Leedom) Let's move to the youth access 0 16 issue, which was another area or issue that you 17 flagged for us that you advocated on behalf of the tobacco industry. 18 19 What's been the position of the tobacco 20 industry with respect to youth access to tobacco 21 products? 22 They supported the prohibition of single cigarette Α 23 sales. They have consistently opposed sales to 24 underage people and launched, at their expense, 25 the "we card" program, I think that's what it was

http://legacy.library.ucsf.e&u/tid/wgr@za00/pdfv.industrydocuments.ucsf.edu/docs/tlxl0001

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called, to work with retailers. 1 2 I think that's basically the answer. 3 Have you, on behalf of the tobacco industry, ever 4 opposed a bill that would have, if enacted, 5 restricted or limited youth access to tobacco products? 6 7 Not for tobacco. 8 Well, you might have used another reason. 9 MR. MURRAY: Pardon me? 10 Objection to form, 11 Go ahead. 12 Q (By Mr. Leedom) Isn't that what you're saying? 13 Α What I'm saying is that the vending machine 14 issue --15 0 Let's talk about that. 16 А Let's talk about that. 17 There were claims that the prohibition of 18 cigarette sales through vending machines would go 19 a long way towards preventing youth access. 20 One of my other clients happens to be the 21 charitable organizations that have bingo halls for 22 raising funds. There is no law that prohibits 23 underage people from going into bingo halls with 24 their parents or relatives or friends. So that 25 client was particularly concerned about the --

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there was some proposals to require that any cigarette vending machine had to be made inaccessible to underage people, with a separate enclosure, or supervised by an adult that was there at -- present at all times.

And so the Tobacco Institute didn't ask me to do anything, but my charitable bingo people did, because 90 percent of their customers smoke in the bingo halls and many of them bring underage people with them, and they just felt that it would be an unreasonable request.

- Now, are you telling us that the Tobacco Institute client did not have you advocate a position contrary to the proposed vending machine legislation?
- A I'm telling you that -- yes, I'm telling you that.
- Q And the only ones that were having you advocate the position contrary to the vending machine restrictions was the bingo hall operators?
- A Yes.

I -- if I may add, there were other lobbyists involved. The bowling alleys, the taverns, the restaurants, they were taking the lead on this.

And any opposition on restrictions, plus the coin machine operators, or -- they have an association

TINY 0001364

of vending machine owners and operators. They 1 have their own lobbyist. 2 Now, on the vending machine issue, which would 3 4 restrict the location of vending machines, did you 5 ever take a position on behalf of the tobacco 6 industry in support of restrictions that were 7 being proposed? I was never asked to take a position either way. 8 Α All right. Let's talk about penalties, and you 9 mentioned that recently there has been a law 10 enacted concerning a \$50 penalty. I don't want to 11 12 ask you about that, but I want to ask you about earlier proposals that would penalize either 13 possessors of tobacco products that were underage 14 or sellers to those under the age of 18. 15 16 What position has the tobacco industry taken 17 with respect to those proposed penalties? 18 MR. BUTLER: I'll object. First of all, when you use the term --19 20 MR. LEEDOM: You can only object 21 to the form of the question. 22 MR. BUTLER: And it's outside 23 the scope. And to the extent the --24 THE REPORTER: Could you repeat 25 that? The siren is distracting me. TINY 0001365 €8

MR. BUTLER: To the extent the question attempts to probe information dealing with the time frame after June 6, 1996, it's beyond the scope and contrary to the court's order.

MR. LEEDOM: Let me just say for the record, again, Mr. Butler is here representing Philip Morris, which he's entitled to do. I want him to comply with the rules, however, which limit his objection to objection to the form, the scope, or the responsiveness. He cannot make a speech, which I think I could fairly conclude his last objection was; just object to the form, responsiveness, or scope. And you will have your objection.

MR. BUTLER: Excuse me, Counsel, since you delved into that, I think I have the right to a response.

In objecting to the form of the question, it is both permissible, and I think customary, to advise the questioning counsel of the defects so that that counsel may attempt to cure that defect if he so chooses.

MR. LEEDOM: Actually, that's not the current rule of civil procedure. You're

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incorrect on that. But if I do need a 1 clarification and want you to tell me what the 2 defect is, I will ask you and you can do so. 3 MR. BUTLER: Always happy to 4 5 help. MR. LEEDOM: All right, thank 6 7 you. Let's go back to the question. Do we have the 8 question before we got into this round of 9 10 objections? (Question on Page 68, Lines 9 11 through 17, read by the 12 reporter.) 13 14 15 MR. BUTLER: I would add lack of foundation to my objection. 16 Never was I asked to take a formal position or to 17 18 advocate -- advocate on that issue. 19 There was empathy expressed -- the people that were on point on that issue were the convenience 20 stores and the restaurants and other small 21 businesses, and their concern that even with 22 23 training, they did support the concept of training 24 employees on how to card and not to sell to underage people, but there was a lot of empathy on 25 TINY 0001367

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1 the part of -- of my client in support of the 2 claims of the convenience store, in that they could not always be held responsible for some 3 clerk who would sell to an underage friend. 4 5 And so that -- that's the best way I can answer that. 6 7 (By Mr. Leedom) Would you say that the 8 convenience stores took the lead on opposing 9 penalties to convenience store employees for 10 selling to underage children? 11 Α Yes. Now, are you familiar with the Washington State 12 13 Association of Neighborhood Stores? 14 Α Yes. 15 THE WITNESS: I have to go to 16 the bathroom. 17 MR. MURRAY: I do --18 (By Mr. Leedom) Let me finish this question and 19 we'll do that. 20 Α Okay. 21 Now, that particular organization is presently 22 represented by Mr. T.K. Bentler; is that true? 23 Α Yes. He is their lobbyist. 24 He is their lobbyist. And in fact, the 25 Neighborhood Store group -- the Tobacco Institute TINY 0001368 71 William J. Fritz, 6/12/98 - by Mr. Leedom

is involved with that, are they not? I don't know, today. They were. 2 They were. In fact, the Tobacco Institute was a 3 4 member of the board, had a board position on that group, did they not? 5 6 Α No. 7 0 No? Α No. You're sure of that? 9 10 Α Yes. Well, define "terms." Emeritus, board member 11 emeritus? Is that an official member of the 12 board? I don't know. 13 14 Well, what's your understanding of the board 15 representation, emeritus or otherwise, on the 16 Tobacco Institute on the Neighborhood Stores 17 group? 18 It was a courtesy, a courtesy to -- but without 19 voting power. 20 MR. LEEDOM: Okay. Let's take a 21 break. 22 THE VIDEOGRAPHER: We're going 23 off the record at 10:40. 24 (Recess at 10:40 a.m.) 1111 25 TINY 0001369 72 William J. Fritz, 6/12/98 - by Mr. Leedom

THE VIDEOGRAPHER: We're back on 2 the record at 10:56. 3 4 EXAMINATION (Continuing) 5 BY MR. LEEDOM: 6 All right. We were discussing the issue of youth 7 access and discussing the question of penalties. 8 Uh-huh. (Witness answers positively.) 9 Α And then we were discussing the question of the 10 involvement of the Tobacco Institute with the 11 Neighborhood Stores. 12 What is your understanding of the involvement 13 of the Tobacco Institute with the Neighborhood 14 Stores? 15 My understanding of the motivation for the 16 Α 17 involvement was it's a customer relations gesture. What's that mean? 18 19 Α Well, the Neighborhood Stores purchase the 20 products from the cigarette companies and sell 21 them, so there is a customer relations 22 relationship. 23 And does the Tobacco Institute have a position on 24 the board of the Neighborhood Stores Association? I have no idea, today. 25 А TINY 0001370 73 William J. Fritz, 6/12/98 - by Mr. Leedom

Did they in the period prior to June of 1996? 1 0 2 Yes. I was a board member emeritus, which is what I was talking about earlier. 3 You personally were actually a board member of the 4 5 Neighborhood Stores, correct? Α 6 Yes. MR. MURRAY: Objection; asked 7 and answered. 8 (By Mr. Leedom) And how many years were you a 9 member of the Neighborhood Stores board? 10 Oh, less than two; probably a year and a half. 11 Α 12 So which years were you a member of the Neighborhood Stores board? 1.3 From -- I'd say starting in 1997, until the time 14 Α 15 that my -- of my termination with Tobacco 16 Institute. Well, maybe I got the date wrong. I think you 17 said you terminated your relationship with the 18 Tobacco Institute in the fall of 1997, correct? 19 20 Yes. Yes. Α 21 Q So --22 So '96. Excuse me, '96, so about a year and a Α 23 half. 24 Was there any other member of the Tobacco Q 2.5 Institute on the board of the Neighborhood Stores TINY 0001371 74 William J. Fritz, 6/12/98 - by Mr. Leedom

group before you were on the board? 1 2 No. Α 3 Q You're sure of that? Well, yeah, I am. 4 Α Now, is it true that the Tobacco Institute, on 5 occasion, works through other lobby groups to 6 7 advocate the position of the tobacco industry? It is standard procedure for any special interest 8 Α 9 group to try to multiply its political muscle by forming coalitions with other interested parties 10 or associations or industries or companies. And 11 12 to the -- to that extent, the Tobacco Institute 13 had two reasons -- yes, to answer your question directly, yes, two reasons: One was the customer 14 relations aspect, and the second one was to work 15 16 as a coalition. 17 What other organizations besides Neighborhood Stores did the Tobacco Institute take a 18 19 significant role in? 20 MR. MURRAY: Objection to form. 21 Α The tavern owners and the Restaurant Association, 22 upon request. 23 (By Mr. Leedom) How about the bingo operators? 24 Α No, there was never any relationship there, other 25 than the fact that I was their lobbyist. TINY 0001372 75 William J. Fritz, 6/12/98 - by Mr. Leedom

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Okay. So, for example, on the issue of penalties,
 1
 2
            which was opposed vigorously by the Neighborhood
 3
            Stores group, was that also opposed vigorously by
            the restaurant and tavern owners groups?
 4
 5
            I don't know.
       Α
 6
            Did the Tobacco Institute support the vigorous
 7
            opposition of the Neighborhood Stores to the
 8
            penalties that were proposed to be imposed upon
            the stores for sales to underage individuals?
 9
10
           Not in an overt way.
      Α
11
      0
           How about in a covert way?
12
           No, not -- no, I would object to that term.
13
            asked, we would be supportive of their position.
14
      0
           You used the term "empathy" before, but in fact,
15
           did you not support verbally that position, the
16
           position of the Neighborhood Stores opposing these
17
           penalties to legislators?
18
      Α
           Not in testimony and not in direct one-on-one
19
           contacts. Again, only if we were asked.
20
      Q
           Were you asked?
21
      A
           Yes.
22
      0
           Who asked you?
23
      Α
           Legislators.
24
           What did you say?
      Q
25
      Α
           Say we agree that -- with the Neighborhood Stores,
                                          TINY 0001373
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were supportive of their position. 1 2 Did you disclose to the legislators that you were talking to that you were on the board of directors 3 of the Neighborhood Stores? 4 5 MR. MURRAY: Objection to form. MR. BUTLER: And object to 6 7 scope. 8 MR. MURRAY: And I was going to 9 say objection to scope. No. 10 Α 11 (By Mr. Leedom) Now, the other issue concerning 12 youth access that I want to ask you about relates to the proposed charge of \$500 per store for 13 14 programs which would prevent youth access. 15 Do you recall that as a proposal? 16 Vaguely. Α 17 Do you recall taking a position with respect to Q 18 that proposal? 19 No. That's why I'm vague on it. Α 20 Q Okay. Do you recall that the Neighborhood Stores 21 took a very strong position in opposition to that 22 legislation which would have imposed a \$500 charge 23 on the stores? 24 Α I cannot answer that with a specific "yes." I 25 believe they did. TINY 0001374 77 William J. Fritz, 6/12/98 - by Mr. Leedom

Q Okay. 1 Please.understand that as a board member emeritus, 2 Α I did not attend all board meetings of the 3 Neighborhood Stores. 4 Now, you also mentioned the issue of advertising. 5 6 What position did the tobacco industry take with 7 respect to advertising of tobacco products in our 8 state? Their position was, and I think still continues to 9 10 be, that commercial-free speech is protected by 11 the First Amendment. 12 Okay. Is that a position that you advocated to 1.3 legislators? Not in any formal sense. 14 Α How about in the informal sense --15 16 If asked, and in discussions, informal Α 17 discussions. 18 Were you asked? Q 19 Α Yes. 20 Did you have discussions? Q 21 Α Yes. And what did you say? 22 23 Α I said that I believe that if you're selling a 24 legal product in a legal manner, that you have the 25 right to advertise that product. TINY 0001375 78 William J. Fritz, 6/12/98 - by Mr. Leedom

Okay. Did the tobacco industry ever support 0 1 legislation which would have limited the ability 2 to advertise tobacco products in the state of 3 4 Washington? 5 Α No. Do you believe nicotine is a drug? 6 MR. MURRAY: Objection to form. 7 8 MR. BUTLER: Objection; lacks 9 foundation. Are you asking me for my personal opinion? 10 11 (By Mr. Leedom) Yes. 12 MR. MURRAY: Objection to scope. 13 MR. BUTLER: Same objection. 14 Objection to foundation, as well. 15 Α Well, I believe it's a chemical. And if -- again, 16 you're getting into definition of terms, but 17 anything that alters the body function, such as 18 aspirin or caffeine or nicotine, if that falls 19 into your definition of being a drug, then I would 20 say that, yes, it's a drug. But it's -- it's a chemical influence on the -- on the body 21 22 functions. 23 (By Mr. Leedom) Have you ever told any legislator 24 your definition of what a drug is and whether or 25 not nicotine fits that definition? TINY 0001376 79 William J. Fritz, 6/12/98 - by Mr. Leedom

1 Α No. MR. MURRAY: Objection to form. 2 THE WITNESS: Excuse me. 3 MR. MURRAY: It's all right. 4 No. 5 Α (By Mr. Leedom) Have you ever taken a position on 6 7 behalf of the Tobacco Institute that nicotine should not be regulated as a drug by the Food and 8 Drug Administration? 9 On behalf of the Tobacco Institute? 10 Α 11 0 Yes. 12 Α No. Have you ever taken that position on your own 13 0 behalf? 14 15 Α Yes. When was that? 16 Q When I wrote -- I think I wrote a letter to 17 Α 18 some congress people, our congressional 19 representatives, to the -- probably to the 20 president when this was a hot issue, that I didn't 21 subscribe to the idea of regulating it as a drug. 22 Now, when you communicated with these government 23 officials, are you saying you were communicating 24 solely as an individual citizen and in no way in 25 your capacity as a representative of the Tobacco TINY 0001377 80 William J. Fritz, 6/12/98 - by Mr. Leedom

1 by the FDA. Why were they opposed to it? 2 MR. MURRAY: Objection to form. 3 MR. BUTLER: Objection; lacks 4 5 foundation. 6 I can't give you the specifics. I know that as a 7 policy, they felt that it would be an undue regulatory burden on them. It would be too much 8 of a -- too much regulation. 9 10 (By Mr. Leedom) Who was your contact at the 11 Tobacco Institute during this 18-year period? They had regional directors. Most recently was 12 Α Dan Howell. Prior to him was a gentleman by the 13 14 name of Dan Wahby, W-A-H-B-Y. Prior to him was a 15 gentleman by the name of Paul Jacobson, S-O-N. And prior to him was a gentleman by the name of 16 17 Alexander King. 18 They were given the responsibility for 19 coordinating the TI lobbyist activities within a 20 region. 21 What was the region that Washington was in? Q 22 Originally -- well, still is, as far as I know, is Α 23 Idaho, Montana, Wyoming, Oregon, Washington. 24 O Alaska? 25 Yeah. Yeah. Excuse me, I forgot Alaska. Α TINY 0001378 83 William J. Fritz, 6/12/98 - by Mr. Leedom

Institute in the state of Washington? 1 That's correct. 2 And why do you say that? 3 Well, let's go back to the fact that I am a smoker 4 and I do pay attention to things that affect the 5 product that I -- I use, and I was never asked by 6 7 the Tobacco Institute to -- to do this type of communication. It was strictly an expression of 8 my own rights as a citizen. 9 Were you ever asked by the Tobacco Institute to 10 write a letter to legislators or government 11 officials concerning the issue of whether or not 12 nicotine should be regulated by the FDA? 13 MR. MURRAY: Objection; asked 14 and answered. 15 Go ahead. 16 I was asked to see if we could get some 17 legislators to write letters opposing that, yes. 18 (By Mr. Leedom) Who asked you to do that? 19 20 The Tobacco Institute. 21 Do you recall when that was? 22 No. It was when the issue was in contention and 23 being debated. Did you actually undertake that project to see if 24 25 legislators would write letters opposing FDA TINY 0001379 81 William J. Fritz, 6/12/98 - by Mr. Leedom

regulation of tobacco? 1 2 Α Yes. Who did you get to write the letters? 3 0 I don't recall. 4 Α At about the time that you were successful in 5 getting legislators to write letters, is that the 6 7 time you wrote your letter? MR. BUTLER: Objection; assumes 8 9 facts not in evidence, objection to form. I can best answer you by saying that it was in --10 Α within the time frame of when that issue was being 11 debated as a national issue and it was a hot and 12 heavy issue. And my motivation was -- as a 13 smoker, the -- and I could not tell you honestly 14 how many legislators responded to my request, 15 vis-a-vis Tobacco Institute, to write letters. I 16 don't have anything, you know, of record on that. 17 18 Okay. But my question, Mr. Fritz, was: Wasn't it 19 at the same time that you were trying to get 20 legislators to write letters opposing FDA 21 regulation that you, yourself, wrote your letter? Approximately the same time. 22 23 And what was the Tobacco Institute's position with 24 respect to FDA regulation of tobacco products? 25 Α They were opposed to it being regulated as a drug TINY 0001380 82 William J. Fritz, 6/12/98 - by Mr. Leedom

Okav. Now, would one of these individuals, at the 0 time an issue was at issue, communicate with you 2 the position of the Tobacco Institute? 3 4 Generally, yes. Α So with respect to the issue of whether or not 5 tobacco should be regulated as a drug, who would 6 7 have been the regional coordinator at that time? 8 Probably Dan Wahby. Α 9 And did you communicate with him on that subject? Q 10 Α Yes. Did he provide any written materials to you? 11 0 12 Yes. Α And did you retain those written materials? 13 Q No. I -- no. 14 Α 15 What do those written materials say? Ö 16 Α Basically outline the argument against having the 17 FDA regulate tobacco as a drug, and the reasons for the industry's opposition. 18 19 Was one of the arguments that Mr. Wahby provided 20 to you on behalf of the Institute that the 21 Institute was asserting that tobacco was not a 22 drug, did not contain any drugs? 23 I don't recall that. Α 24 Was the Institute taking the position that 25 nicotine was not a drug? TINY 0001381 84 William J. Fritz, 6/12/98 - by Mr. Leedom

I can't recall that specific. 1 Α 2 To your knowledge, has the Tobacco Institute, that you worked for for 18 years, ever taken the 3 position that nicotine is a drug? 4 5 Α No. In fact, they took the opposite position, didn't 6 0 7 they? They took the position that nicotine is not a drug, right? 8 MR. MURRAY: Object to the form. 9 10 Α In general terms, I would say that would be their position. 11 MR. LEEDOM: Let's have this 12 13 marked as an exhibit. (Exhibit No. 1236 marked 14 15 for identification. 16 17 MR. LEEDOM: I'm sure you knew 18 I'd be asking about this. Mr. Murray has 19 committed it to memory. He doesn't even have to 20 look at it. 21 This is exhibit number what? 22 THE REPORTER: 1236. 23 Q (By Mr. Leedom) Showing you Exhibit 1236, is this 24 a letter you wrote in October of 1995 to the 25 president of the United States? TINY 0001382 85 William J. Fritz, 6/12/98 - by Mr. Leedom

1	A	Yes.
2	Q	And you copied David Kessler, then-chair of the
3		FDA, and the Washington State Congressional
4		Delegation?
5	A	Yes.
6	Q	Now, in any part of this letter, do you identify
7		your role with the Tobacco Institute?
8	A	No.
9	Q	Do you identify your role as Mr. Tobacco in the
10		state of Washington?
11		MR. MURRAY: Objection to form.
12	A	No.
13	Q	(By Mr. Leedom) Why didn't you identify your role
14		with the Tobacco Institute for then-16 years?
15	A	I wrote this as a smoker and as a citizen, and
16		there was no need for any other identification.
17	Q	You know what full disclosure is, of course,
18		because of your work as a lobbyist?
19		MR. MURRAY: Objection to form.
20	Q	(By Mr. Leedom) Correct?
21	A	I'm not sure that I know what your term means,
22		"full disclosure."
23	Q	Well, as a lobbyist, aren't you required to make
24		full disclosure of who you are, who you represent,
25		how much you're being paid, and actually report
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1 that to the Public Disclosure Committee on an ongoing basis? 2 Yes, who I represent, who my clients are, and what 3 Α 4 they paid me. Right. And you, in fact, provided me with 5 6 documents that show that. 7 A Yes. Now, why didn't you think it was incumbent upon 8 0 9 you, in the spirit of full disclosure, to tell the 10 president of the United States that you, in fact, 11 had worked as a lobbyist, earning approximately 12 \$50,000 a year for 16 years, at the time you wrote 13 this letter? 14 MR. MURRAY: Objection; asked 15 and answered and as to form. 16 MR. BUTLER: Join in the 17 objection. 18 Well, I don't give up my rights as a citizen 19 because I'm a lobbyist, and I wrote this in the 20 context of being a citizen and a smoker who has a 21 right to petition my government for my own redress 22 of grievances. And I have done this on other 23 issues on behalf of myself. 24 (By Mr. Leedom) The last sentence of the first Q 25 paragraph --TINY 0001384 87 William J. Fritz, 6/12/98 - by Mr. Leedom

1 Of the first paragraph, okay. Α 2 Actually, the last couple of lines of the first 3 paragraph talks about the current proposal to have the, quote, "FDA regulate commonly used and legal 4 5 tobacco products as a drug!" exclamation point, end of quote. 6 7 Now, was it your belief at that time that 8 tobacco products did or did not contain drugs? 9 MR. BUTLER: Objection; beyond 10 the scope, object to form. 11 Α It was my belief, and remains my belief today, 12 that tobacco does not have the same properties as 13 addictive drugs. 14 Q (By Mr. Leedom) Okay. Did you communicate that 15 belief, which you held then and you hold today, to 16 any legislator? 17 А No. Even on an informal basis? 18 19 Α If -- there are discussions, so many discussions. 20 If it came up, I would have taken that position, 21 but I don't recall any specifically. 22 0 Okay. Well, I'm not -- I understand you don't 23 specifically recall a conversation, but don't you 24 think it's probable, Mr. Fritz, that during this 18-year period of time that you were the 25 TINY 0001385

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legislator -- the lobbyist for the Tobacco 1 Institute, that you communicated to more than one 2 legislator that you did not believe that nicotine 3 was a drug, nor that tobacco products contained 4 5 drugs? 6 MR. MURRAY: Objection; asked 7 and answered, and as to form. 8 MR. BUTLER: And beyond the 9 scope. 10 I can't recall. I do know this, that those legislators that I 11 12 told you about earlier that quit smoking cold 13 turkey, so to speak, were very proud of the fact, 14 and they kind of would chuckle at some of the claims of the addictiveness and that tobacco is a 15 16 drug, because they were able to quit without 17 withdrawals. 18 MR. LEEDOM: Move to strike as 19 not responsive. 20 0 (By Mr. Leedom) My question, Mr. Fritz, is: 21 Isn't it true that in this 18-year time frame that 22 you were the tobacco lobbyist for the industry and 23 the Institute, that you probably communicated to 24 legislators your view that tobacco does not 25 contain drugs? TINY 0001386

William J. Fritz, 6/12/98 - by Mr. Leedom

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MR. MURRAY: Objection to form, 1 and now there is no foundation. And it's also 2 beyond the scope. 3 Go ahead. 4 (Bv Mr. Leedom) Go ahead. 5 Α Probably informally in discussions, I did make 6 7 my -- make the claim that I did not believe that 8 tobacco was a drug. Again, I have to qualify this, because I don't 9 10 have the scientific expertise. When you phrase 11 your question to me about the properties in tobacco, I don't know. I don't know what they 12 13 are. 14 So have you ever learned what the constituents are 15 of tobacco? 16 Α I have read about it in some of the published 17 reports, I've watched the congressional hearings 18 on television, and -- but have I retained that 19 information? No. 20 Have you ever learned that tobacco that's in 21 cigarettes can contain up to 50 carcinogens or 22 cancer-causing agents? 23 MR. MURRAY: Objection to form. 24 MR. BUTLER: Same objection. 25 Α I have never learned that, no. TINY 0001387 90 William J. Fritz, 6/12/98 - by Mr. Leedom

1	Q	(By Mr. Leedom) Did you ever see that in
2		congressional hearings that you observed?
3	A	I've seen that in some publications as claims,
4		yes.
5	Q	Did you do anything personally to see if those
6	<u> </u>	claims were true or not true?
7	A	No.
8	Q	Did you do any investigation at any time to
9		determine whether or not nicotine was a drug?
10	A	No.
11	Q	Did you do any investigation at any time to
12		determine whether or not nicotine was addictive?
13	A	No, I never did any investigation.
14	Q	Did you ever see any internal documents from any
15		of the individual companies which indicated that
16		nicotine was addictive?
17	A	No.
18	Q	Did you ever see any internal documents from
19		any of the individual tobacco companies which
20		indicated that tobacco contains cancer-causing
21		agents?
22	A	No.
23	Q	Why didn't you do any investigation?
24		MR. MURRAY: Objection; asked
25		and answered.
:		
		TINY 0001388 91
		William J. Fritz, 6/12/98 - by Mr. Leedom

MR. BUTLER: Objection as to 1 2 form. 3 It was not part of my -- my job responsibility. Α (By Mr. Leedom) Well, at the beginning of the 4 deposition, we talked about your duty to be 5 truthful and your duty to fairly research and 6 7 determine the facts of an issue. I'm trying to find out why you didn't feel it 8 was incumbent upon you, since you were discussing 9 10 issues as we've been discussing, to investigate, 11 research, and learn the answers to these issues. 12 MR. MURRAY: Objection to form, 13 asked and answered. 14 My job was to provide information to legislators, 15 to respond as honestly as I could and factually as 16 I could. And on subjects that you're bringing up, 17 I had no expertise in this. So I would ask the 18 client for information when I -- to respond to --19 to give answers to such questions. 20 MR. BUTLER: Bill, she's saying we need to go off the record. 21 22 MR. LEEDOM: Thank you. 23 THE VIDEOGRAPHER: We are going 24 after the record at 11:21. This is the end of 25 Tape 1. TINY 0001389 92

(Discussion off the record.) 1 2 3 THE VIDEOGRAPHER: This is the beginning of Tape 2. We are back on the record at 4 5 11:25. MR. LEEDOM: And the last 6 7 question and answer was? (Question/Answer on Page 92, 8 Lines 4 through 19, read 9 by the reporter.) 10 11 (By Mr. Leedom) Now, the clients you're referring 12 Q to would be the Tobacco Institute? 13 In this case, yes. 14 Α 0 Okay. And did you, in fact, ask the Tobacco 15 Institute for information concerning -- let's just 16 take the issue of whether or not nicotine is 17 addictive? 18 No, because I was never asked for that information 19 Α 20 by a legislator. Did you ever ask the Tobacco Institute for any 21 22 information as to why nicotine was not a drug, 23 which was the position the Institute took? 24 Α No. 25 Well, what did you ask the Institute about that? TINY 0001390 93 William J. Fritz, 6/12/98 - by Mr. Leedom

Α Questions that would come up regarding ETS was one 1 focal point, questions that would come up about 2 taxation, which we've already covered rather 3 4 thoroughly. I don't think I was ever asked by a legislator 5 whether -- for information about the chemical 6 properties of tobacco or whether or not it was a 7 drug. They pretty much, each and every one of 8 them, had their own opinion already. 9 10 Mr. Fritz, I wasn't asking you whether or not you 11 were asked by a legislator about a subject and then went to the Tobacco Institute for 12 13 information. I was asking whether or not you, 14 yourself, ever asked the Tobacco Institute about whether or not nicotine was addictive. 15 16 Α No. 17 And why didn't you feel that that was important to 18 ask the Institute about? 19 MR. MURRAY: Objection; asked 20 and answered. 21 I didn't -- it wasn't an issue. А 22 (By Mr. Leedom) You didn't think whether or not 0 23 nicotine was addictive was an issue? 24 MR. MURRAY: Objection; asked 2.5 and answered. TINY 0001391

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MR. BUTLER: Objection; 1 argumentative. 2 Go ahead with your answer. 3 Q (By Mr. Leedom) Not an issue that I was involved with in a 4 professional sense. 5 What information did you seek from the Tobacco 6 7 Institute concerning the relationship between smoking and health? 8 9 I sought no information from them. Why not? 10 Q Α Limited file drawer space. 11 Were you ever provided with any information from 12 13 the Tobacco Institute on the subject of smoking and health? 14 15 Not that I can recall. Α 16 0 Did you ever do any independent research and 17 investigation to determine the relationship 18 between smoking and health? 19 MR. MURRAY: Asked and answered, 20 in essence. 21 MR. BUTLER: Object to form. 22 Α I read all of the publications that I mentioned 23 previously put out by the health department and 24 the various health organizations, special interest 25 groups, so that I would be aware of and, if need TINY 0001392 95 William J. Fritz, 6/12/98 - by Mr. Leedom

be, conversant with their claims. 1 That was the extent -- that would -- I was 2 never asked to do that, but I felt that was my job 3 to know what the other side was saying. 4 (By Mr. Leedom) So you tried to learn what the 5 other side was saying on health issues, correct? 6 7 Yes. Α But you made no effort to determine whether or not 0 8 what the other side was saying was true or not; is 9 10 that correct? It was extremely difficult to do that, because I'm 11 12 not, number one, a scientist, nor a medical professional. 13 It was also difficult -- let me back up and 14 say there was an information overload. There were 15 16 so many claims, that if they were all true, most of us would be dead today. 17 And I go back to an earlier statement; that's 18 where the other side -- it wasn't so much of what 19 20 I said or did but what the other side did, that 21 destroyed their credibility. 22 When you say most of us would be dead today, are 23 you referring to smokers? 24 Α No, sir. If I can take just a minute. 25 The studies that I've seen on the effects of TINY 0001393 96

alcohol and fetal alcohol syndrome and smoking and fatty foods and cholesterol, if you add up the statistics that the advocates of those causes put together, you'd be dead 297 and a half percent of the time.

I'm saying that a lot of the claims that I've seen from -- on any subject in this area has been exaggerated, because they don't add up, the numbers don't add up. That's my personal perspective on this stuff.

- Now, the numbers change every year, but assuming the numbers for the early '90s were that approximately 400,000 Americans died each year from tobacco-related illnesses -- did you ever hear that particular figure discussed?
- A That and higher.

Q And higher. I think it's higher today. It's in the 450,000 range.

Did you ever investigate that to determine whether or not that figure was accurate?

MR. MURRAY: Objection; asked

and answered.

A I can't recall who did it, whether it was a legislator or another lobbyist, but I saw a sampling of death certificates put out by the

TINY 0001394

Washington State Department of Health that would raise questions in my mind. If a person was in a -- say, had died of cardiac arrest following a skiing accident but was also a smoker, the little box was checked "smoking-related death."

There hasn't been an effort made, in my estimation of the things I've seen and studied, to clinically isolate smoking as a direct cause of death, if not complicated with other factors.

I think this is the thing that bothers me personally, from anything that I've seen the most, is that if I should be crossing the street after today's deposition and get hit by a car, the fact that I was a smoker will be noted. And if they wanted to distort statistics, they could say, "Well, Fritz died of -- he was a smoker." And I think it's grossly unfair and misleading to do that.

- Q Well, just to use your skier statistic for a minute, when did you see these death certificates?
- A Four or five years ago.
- Q How many did you see?
- A Probably a dozen.

- Q Who provided them to you?
- A As I say, I can't recall. Whether it was a

TINY 0001395

legislator that requested them or another lobbyist 1 2 that got ahold of them, I don't know. I just 3 really don't remember. I remember looking through them and saying 4 5 that this is not a fair way to identify 6 smoking-caused -- or smoking-related deaths. 7 Well, if the skier was skiing down the mountain and he happened to be a smoker and he had a heart 8 9 attack because he had cardiovascular disease from his cigarette smoking, that's why he died, isn't 10 11 it --12 MR. MURRAY: Objection to form, 13 scope. 14 (By Mr. Leedom) -- with that set of facts? 15 MR. MURRAY: Same --16 Α If we want to get into that kind of discussion, 17 for which I think neither of us are qualified, I 18 would have to take a look at his family history, I 19 would have to look at his cholesterol, we would 20 have to look at a whole number of other factors 21 that may have contributed to cardiac arrest, as 22 well as stress factors and et cetera. 23 I just -- I personally can't accept -- even 24 with lung cancer --25 (By Mr. Leedom) Let's talk about lung cancer. TINY 0001396 99

What sort of research have you done on the 1 2 subject of lung cancer? 3 Personal experience. What's that mean, "personal experience"? 4 Observation of friends who have died who didn't Α 5 smoke and didn't allow smoking. 6 My wife's family was a Mormon family, didn't 7 smoke, didn't drink. She lost three brothers and 8 9 a father to cancer. What kind of cancer? 10 0 MR. MURRAY: Wait. Objection; 11 beyond the scope. 12 13 MR. LEEDOM: Well, I'm just trying to find out if it's lung cancer, if that's 14 what we're talking about here. And --1.5 16 MR. MURRAY: Well, I know that. 17 The problem of my scope objection is I'm not -- is I let it go a little bit out of background and 18 19 courtesy, and then I get deeper and deeper and deeper in the hole and --20 21 MR. LEEDOM: Let me go this way. 22 I'm not trying to go out of the scope of this, but 23 he raised the question of lung cancer. I want to 24 ask him about it. 25 (By Mr. Leedom) Let's stick to my questions. Q TINY 0001397 100 William J. Fritz, 6/12/98 - by Mr. Leedom

Lung cancer, what research have you done on 1 the causes of lung cancer? 2 No research; personal observations. 3 Now, have you ever seen an article, and they were 4 first published back in the early '50s, which 5 purports to demonstrate that smokers who develop 6 lung cancer in fact develop lung cancer from the 7 8 cigarettes or the tobacco products? MR. BUTLER: I object; beyond 9 the --10 (By Mr. Leedom) Have you seen those articles? 11 12 MR. BUTLER: First of all, I 13 object, beyond the scope, vaguely ambiguous, just 14 objection to form. No, I haven't seen those articles. 15 16 (By Mr. Leedom) So you've never read any articles 17 in the medical literature concerning the cause of 18 lung cancer? 19 MR. BUTLER: Same objection. 20 MR. MURRAY: Objection to form. 21 Q (By Mr. Leedom) Is that correct? 22 Not in any medical publications. Α 23 Now, are you telling us today that you don't 24 believe that smoking causes lung cancer? 25 Α I go back to the way I responded initially when TINY 0001398 101 William J. Fritz, 6/12/98 - by Mr. Leedom

you asked about health -- harmful health effects: It may cause that problem for some people; for 2 others, it may not. 3 Have you ever told a legislator that you don't 4 believe that smoking causes lung cancer? 5 MR. MURRAY: Objection to form, 6 mischaracterizes his answer. 7 MR. BUTLER: Join in the 8 objection. 9 I have never been asked, and so, therefore, I've 10 never made that statement to a legislator. 11 (By Mr. Leedom) Back to your -- my question 12 concerning how you would gather information, you 13 said you would do so as honestly as you could and 14 15 you would get information as factual as you could. Uh-huh. (Witness answers positively.) 16 Α That's what the record shows. 17 How did you go about gathering factual 18 information on the question of smoking and its 19 relationship to health? 20 MR. MURRAY: Objection to scope. 21 This is an example. He didn't say -- didn't lobby 22 on this issue, so I object to scope and I object 23 to form. 24 MR. BUTLER: And I'll object 25 TINY 0001399 102

1 that it assumes facts not in evidence. THE WITNESS: So do I answer 2 3 this or not? 4 MR. MURRAY: Yes, you can 5 answer. 6 (By Mr. Leedom) I'd request information from the client -- in this 7 8 case, Tobacco Institute -- on any specific issue, because again, I'm a lobbyist and I'm not a 9 scientist or a medical professional. 10 11 Okay. MR. LEEDOM: I think you have 12 13 that one. 14 MR. BUTLER: Yes. 15 MR. LEEDOM: Mr. Jacobi, I'm 16 sorry to report that I don't have another copy, 17 but I believe Mr. Butler probably has it committed 18 to memory, so maybe he could share. 19 MR. JACOBI: I suspect he does. 20 MR. LEEDOM: This would be 21 Exhibit 1237? 22 THE REPORTER: Yes. 23 MR. LEEDOM: Thank you. 24 (Exhibit No. 1237 marked 25 for identification.) TINY 0001400 103 William J. Fritz, 6/12/98 - by Mr. Leedom

(By Mr. Leedom) Showing you, Mr. Fritz, Exhibit 1 1237, which is a February 1995 Philip Morris USA 2 Corporate Affairs Department Issues Handbook --3 Yes. 4 Α 5 0 -- which we obtained from Mr. Ducharme, who is the lobbyist for Philip Morris, have you ever seen 6 7 this document before? 8 Α No. 9 0 Let me ask you about a couple of things in here. MR. BUTLER: Counsel, may I have 10 a continuing objection to foundation --11 MR. LEEDOM: You may. 12 13 MR. BUTLER: -- as to the witness's competence? 14 So all questions relating to this document I 15 object to on lack of foundation for purposes of 16 17 questions relating to it. 18 MR. LEEDOM: On the basis that 19 he hasn't seen it before? 20 MR. BUTLER: Yes. 21 Q (By Mr. Leedom) All right. Mr. Fritz, go to 22 Page 4. 23 Α Smoking and health? 24 Q Yes. 25 Α Uh-huh. (Witness answers positively.) TINY 0001401 104 William J. Fritz, 6/12/98 - by Mr. Leedom

I want to ask you a couple of things about this 1 2 Philip Morris document. The first sentence indicates, quote, "It is -- " 3 4 MR. MURRAY: I'm sorry to 5 interrupt. My copy doesn't have a Page 4 on it. 6 MR. LEEDOM: It's on the bottom. 7 It's --MR. MURRAY: Oh, I'm sorry, the 9 Bates stamp 4. MR. LEEDOM: The Bates stamp, 10 11 because otherwise it doesn't have numbers. 12 MR. MURRAY: Got you. (By Mr. Leedom) On the bottom, Page 4, "Smoking 13 14 and Health, Executive Summary," quote: "It is 15 commonly acknowledged that smoking is a risk 16 factor for certain human diseases," end quote. 17 Is that something you believe? 18 Α Yes. 19 Okay. Now, did you communicate that belief to any 20 legislator during the time frame, the 18 years 21 we're talking about? 22 Probably did in prefacing -- as a preface to 23 remarks. 24 Again, going back to my statement that I 25 believe that I have never stated that smoking is TINY 0001402 105 William J. Fritz, 6/12/98 - by Mr. Leedom

good for you, and that as far as harmful effects, I've always stated and believed that it varies 2 3 from person to person as to risk factors or -- or 4 harm. Looking at the Philip Morris USA position, there 5 6 is a reference to the 1964 Surgeon General's 7 report. 8 Have you ever read any of the Surgeon General 9 reports? 10 Portions of it; baloney. Α 11 And what do you understand to be the position of 12 the Surgeon General with respect to whether or not 13 tobacco products cause disease, including cancer, 14 in human beings that use those products? 15 Α He's a true believer in his position that it has 16 all those harmful effects. 17 And you disagree with the Surgeon General; is that 18 correct? 19 Yes. Α 20 Now, in fact, in the first paragraph of the Philip 21 Morris USA position, it indicates, quote, "While 22 we disagree with many of the statements and 23 conclusions of the reports, we do recognize

TINY 0001403

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William J. Fritz, 6/12/98 - by Mr. Leedom

cigarette smoking as a risk factor for certain

diseases," end quote.

24

25

1 Is that your belief? Yes. 2 Is that the belief that you have advocated on 3 4 behalf of the Tobacco Institute? MR. MURRAY: Objection to form. 5 6 That's pretty broad. Yeah, if asked, yes. 7 0 (By Mr. Leedom) And have you been asked about that? 8 I don't recall, but perhaps I have. 9 Turn to Page 6, "Consumer Excise Taxes." 10 (Witness complies.) 11 A Paragraph 2 of the executive summary, quote: 12 0 "Philip Morris USA strongly opposes cigarette 13 14 excise taxes for several reasons," period, end 15 quote, and then some reasons are given. 16 The Tobacco Institute also strongly opposes 17 cigarette excise taxes and has throughout your 18 18-year tenure as the representative of the 19 Institute in the state of Washington? 20 Α Oh, that's a question, based upon this here? 21 You're not reading about -- I didn't see anything 22 about TI in here, but --23 MR. MURRAY: Counsel, I had the 24 same reaction. I thought you were reading it. 2.5 MR. LEEDOM: I did. TINY 0001404 107 William J. Fritz, 6/12/98 - by Mr. Leedom

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(By Mr. Leedom) I read the Philip Morris
 1
       0
            position, and I changed the question to whether or
 2
            not that has been a position you have advocated on
 3
 4
            behalf of TI ~-
 5
            Yes.
      Α
 6
            -- for the 18 years.
 7
      Α
            Essentially, yes.
            On Page 14, "Social Cost" --
 8
 9
      Α
            Okay.
            -- the executive summary reads, quote: "Some
10
11
            anti-smoking critics -- "
12
            Excuse me, I'm on the wrong page. I've got Page
      Α
13
            14 mixed up with 19.
14
      Q
           Sorry.
15
           Your 14 in the large type, right?
      Α
16
            In the bottom right-hand corner.
      Q
17
      A
           Okay.
           Do you have it, "Social Cost"?
18
      Q
19
      Α
           Uh-huh. (Witness answers positively.)
20
      Q
           Quote: "Some anti-smoking critics claim that
21
           cigarette smoking imposes an alleged social cost
22
           on society," end quote.
23
               Now, have you ever made any determination as
24
           to the health care cost in the state of Washington
25
           due to tobacco-related illness and disease?
                                            TINY 0001405
                                                            108
            William J. Fritz, 6/12/98 - by Mr. Leedom
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1		MR. MURRAY: Objection to form.
2		MR. BUTLER: Object; lacks
3		foundation, beyond the competence of the witness.
4	A	I, again, would not have made such a study, no.
5	Q	(By Mr. Leedom) Have you ever received any
6	}	information from any source concerning the cost to
7		the state of Washington, in terms of health care
8		cost, for tobacco-related illness and disease?
9	A	No.
10	Q	Why did you not feel that that was important to
11		do, in view of your opposition to increasing the
12		excise taxes on tobacco products?
13		MR. BUTLER: Objection; beyond
14		the scope.
15	A	Can you restate your question again?
16		MR. LEEDOM: I'll have her read
17		it back.
18		(Question on Page 109, Lines
19		10 through 12, read by the
20		reporter.)
21		
22	А	I was in no position to conduct such a study, and
23		I didn't have the expertise to do so.
24	Q	(By Mr. Leedom) Did you ask the Tobacco Institute
25		if they would provide you with information on the
:		TINY 0001406
		William J. Fritz, 6/12/98 - by Mr. Leedom

health care costs of tobacco-related disease and 1 illness? 2 No. 3 Α Why did you not do that? 4 0 5 Α I -- I had seen general information and 6 publications to the effect that the -- because of 7 the fact that smokers are taxed so heavily, that they pay their way in terms of health care. This 8 9 is just general statements. 10 That's your fair share argument? MR. MURRAY: Objection to form. 11 12 (By Mr. Leedom) Didn't you allude to that before, that the smokers should pay their fair share? 13 14 I can't pinpoint exactly where, but I know that 15 one argument that has been advanced, and I've never done this, was that if people are dying 16 17 earlier from smoking, they're actually saving the 18 Social Security system money. 19 I've heard things like that, I've heard --20 nothing specific on the state of Washington. 21 Have you ever made the argument to any legislator 22 that because tobacco products result in premature 23 death of individual smokers, that it is saving 24 money for the Social Security system or any 25 State-funded program? TINY 0001407 110

No. 1 Α Why have you not made that argument? 2 Well, I think it's --3 Α MR. BUTLER: Objection; it's 4 beyond the scope. 5 The State is not involved in the federal social 6 Α 7 security program, for one thing. And I do believe 8 that smokers pay their way in terms of other costs. 9 (By Mr. Leedom) Well, that's what I was asking 10 11 about. You have done no investigation or 12 research, as I understand it, to determine what the actual cost is of tobacco-related illness and 13 disease in the state of Washington, correct? 14 That's correct. 15 Α So since you don't know what the cost is, how can 16 17 you say that the users of tobacco products pay 18 their fair share? 19 In terms of equity, if there is a program that Α 20 benefits -- such as the Basic Health Care Program, 21 that benefits all the people, then all the people 22 should pay for it. But in this particular case in 23 this state, a very heavy regressive tax is imposed 24 upon users of tobacco products to pay for a 25 program that is of general benefit. TINY 0001408 111 William J. Fritz, 6/12/98 - by Mr. Leedom

1	Q	Have you ever discussed with any legislator the
2		issue of whether or not the health care costs to
3		the state of Washington are, in fact, increased by
4		payment for smoking-related illness and disease?
5		MR. BUTLER: Objection; asked
6		and answered.
7	A	No, but legislators have pointed this out to me in
8		various pieces of propaganda put out by the state
9		health department.
10	Q	(By Mr. Leedom) So you think it's propaganda that
11		the state health department puts out?
12	A	Of course.
13	Q	Why do you say that?
14	A	It's self-serving.
15	Q	What are they trying to serve?
16	A	They're trying to generate support for their
17	<u> </u>	position on tobacco and a number of other issues
18		and to justify an ever-increasing budget and more
19		control and more regulation.
20	Q	Mr. Fritz, do you believe that tobacco-related
21		illness and disease costs the State a significant
22		amount of money each year?
23		MR. MURRAY: Objection; outside
24		the scope.
25		MR. BUTLER: And lacks
		TINY 0001409
		112
		William J. Fritz, 6/12/98 - by Mr. Leedom

foundation. 1 I have no way of knowing that. 2 Α (By Mr. Leedom) You have never investigated that? 3 0 I have just seen their claims, "their" being the 4 5 State's claims. You have never discussed that with any legislator? 6 Q 7 Α No. Did you ever seek any information from the Tobacco 8 Institute, your client, concerning the actual 9 health care costs for tobacco-related illness and 10 11 disease? 12 No --Α MR. BUTLER: Objection. 13 14 THE WITNESS: Excuse me? MR. BUTLER: Objection as to 15 16 form, asked and answered. 17 (By Mr. Leedom) Go to Page 20 if you would, 0 18 Mr. Fritz, 20 on the bottom right-hand corner, 19 dealing with addiction. (Witness complies.) Okay. 20 Α Paragraph 2 of the executive summary indicates, 21 22 quote, "Philip Morris believes that nicotine is 23 not addictive, " period, end quote. 24 What's the position of the Tobacco Institute 25 with respect to whether or not nicotine is TINY 0001410 113 William J. Fritz, 6/12/98 - by Mr. Leedom

1 addictive? MR. MURRAY: Objection; asked 2 and answered, and it's outside the scope. 3 MR. BUTLER: Join in the 4 5 objection. (By Mr. Leedom) Go ahead. б I can't recall that they've taken a position on 7 8 addiction -- I mean on the addictive properties. 9 I have my own personal opinions. 10 Which you have given us, correct? 11 Α Yes. 12 MR. MURRAY: Correct. 13 (By Mr. Leedom) So are you saying that you do not 14 know the position of the Tobacco Institute? 15 I do not know it as a matter of fact. 16 I would suspect that if this is the position 17 that Philip Morris has taken and other companies, 18 that that would -- it would logically follow that 19 would be the position of TI. 20 Is the Tobacco Institute the agent of the various 21 individual companies that form the Institute, 22 including Philip Morris, RJR, Liggett, Lorillard, 23 Brown and Williamson? 24 MR. BUTLER: Object --25 MR. MURRAY: Objection to form, TINY 0001411 114 William J. Fritz, 6/12/98 - by Mr. Leedom

calls for a legal conclusion. 1 MR. BUTLER: Join in the 2 3 objection. They -- they -- I don't know about being an agent 4 5 for. They are a trade association, formed to represent the views and the positions of the 6 7 industry and to respond to industry challenges or 8 requests, or what have you; same as other -- any other trade association. 9 (By Mr. Leedom) Does the Tobacco Institute, in 10 fact, conduct research on tobacco-related issues? 11 12 I have no idea. Α Now, other than your role on behalf of the Tobacco 13 Institute for 18 years in the state of Washington, 14 15 has the Tobacco Institute performed any other acts 16 or engaged in any other activities within the state of Washington in the 18 years that you have 17 worked for them? 18 19 MR. MURRAY: Objection to form. 20 MR. BUTLER: And lacks foundation. 21 22 Α Activities? 23 (By Mr. Leedom) Yes. 0 24 Α What do you mean? 25 For example, did the Tobacco Institute have any TINY 0001412 115 William J. Fritz, 6/12/98 - by Mr. Leedom

meetings, seminars, gatherings in the state of 1 Washington in the last -- in the 18-year period 2 3 that you have worked for them? 4 Α We have had tobacco industry lobbyist meetings within the state. 5 Within the state of Washington? 6 7 Yeah, the lobbyists that work this state. Α In addition, has the Tobacco Institute provided 8 9 materials to you that you have requested on such 10 subjects as environmental tobacco smoke, excise 11 taxes? 12 Α Yes. 13 And the Tobacco Institute is headquartered in 14 Washington, D.C.? 15 Α Yes. 16 And representatives of the Tobacco Institute, the 17 regional director people that you've named 18 earlier, they've been here to the state of 19 Washington to meet with you? 20 Α Yes. And to communicate the views of the Tobacco 21 0 22 Institute to you? 23 Α Yes. 24 Other than you personally, have there been any 25 other individual representatives of the Tobacco TINY 0001413 116 William J. Fritz, 6/12/98 - by Mr. Leedom

Institute in the state of Washington during that 1 18-year period? 2 MR. MURRAY: Objection to form. 3 MR. BUTLER: And I assume you're 4 halting that inquiry as of June 6, 1996? 5 MR. LEEDOM: Yes. 6 7 (By Mr. Leedom) The question may not have been a 8 good one. You told us you were the lobbyist from '79 9 until '96 --10 11 Yes. 12 -- for the Tobacco Institute in the state of 13 Washington. 14 I'm trying to find out, were there any other 15 agents, employees, functionaries, operatives of 16 the Tobacco Institute in the state of Washington 17 in that 16-year period --18 MR. MURRAY: Objection to form. 19 (By Mr. Leedom) -- for any subject? Q 20 Since '96, there was Mr. Wahby and Mr. Howell, who 21 were the regional directors. 22 But prior to that time? 0 23 Α Yes. 24 And who would that be? Q 25 Α The regional directors. TINY 0001414 117 William J. Fritz, 6/12/98 - by Mr. Leedom

Okay. Did they actually live in the state of 1 0 Washington? 2 One did, the rest did not. 3 Α Now, did you attend meetings which were held and 4 sponsored by the Tobacco Institute during which 5 attorneys would be present, attorneys for the 6 7 Tobacco Institute? 8 Yes. Α 9 And without telling me what the attorneys 10 necessarily said, would the attorneys make presentations on behalf of the Institute to you as 11 a lobbyist for the Institute? 12 13 MR. MURRAY: You can answer --(By Mr. Leedom) That's a "yes" or "no." 14 15 MR. MURRAY: You can answer that question "yes" or "no." 16 17 Α Yes. 18 (By Mr. Leedom) Can you identify the attorneys, 19 any attorneys, who made presentations to you on 20 behalf of the Tobacco Institute? 21 MR. MURRAY: Mr. Fritz, I 22 instruct you not to answer which attorneys made 23 presentations. You may answer the question, if 24 Mr. Leedom wants to ask it, of which attorneys 25 were present. TINY 0001415 118 William J. Fritz, 6/12/98 - by Mr. Leedom

1	A	By name?
2	Q	(By Mr. Leedom) Yes.
3		MR. MURRAY: Yes.
4	A	The one that sticks out in my mind is Mr. Keith
5	; 	Teel with Covington and Burling.
6	Q	(By Mr. Leedom) And can you name tell me the
7		dates and times when Mr. Teel made presentations
8		to you on behalf of the Tobacco Institute?
9		MR. MURRAY: You can answer that
10		question as to date and time, to the best of your
11		ability.
12	A	Almost every annual meeting of TI lobbyists,
13		Mr. Teel or a representative of his law firm would
14		give us a briefing on what's what in the legal
15		sense.
16	Q	(By Mr. Leedom) Okay. Were any of these meetings
17		or briefings held in the state of Washington?
18		MR. MURRAY: You can answer that
19		question.
20	A	Not by Mr not by Mr. Teel.
21	Q	(By Mr. Leedom) Did you ever meet in the state of
22		Washington with Mr. Teel concerning Tobacco
23		Institute business?
24		MR. MURRAY: You can answer that
25		"yes" or "no."
		TINY 0001416
		William J. Fritz, 6/12/98 - by Mr. Leedom
		"1111dm 0. 11102, 0/12/90 - by Mr. Reedom

1 Α No. (By Mr. Leedom) Did you meet with the regional 2 3 directors that you identified for the Tobacco Institute in the state of Washington concerning 4 5 Tobacco Institute issues? 6 Yes. Α 7 0 Was that on a regular basis? 8 Α It was on an as-needed basis, primarily. 9 MR. MURRAY: Counsel, I'm 10 thinking that if we can get done by 1:00 or so, we 11 should keep moving. MR. LEEDOM: I agree. 12 13 (By Mr. Leedom) Would you turn to Page 46? Q 14 Α (Witness complies.) 15 And that relates to marketing practices, 16 allegations concerning marketing to youth. 17 Α Uh-huh. (Witness answers positively.) 18 Look at the executive summary, Paragraph 2. 19 Quote: "Philip Morris USA does not market 20 cigarettes to minors," end quote. 21 First of all, do you know whether or not 22 that's a true statement? 23 MR. BUTLER: Objection. Ιn addition to my foundational objection respecting 24 25 the document, lacks foundation generally, lacks --TINY 0001417 120 William J. Fritz, 6/12/98 - by Mr. Leedom

and object to the form. 1 I can't answer questions about any of the 2 companies' marketing practices any more so than 3 any citizen on the street. I don't know. I'm not 4 privy to their marketing practices. 5 (By Mr. Leedom) You don't know what the marketing б practices are of any of the members of the Tobacco 7 Institute? 8 I'm going to answer -- perhaps rephrasing. Α billboards, as you do, I see newspaper ads, as you 10 do, I see magazine ads, as anybody does. That's 11 the extent of my knowledge of their marketing 12 practices or their logos on race cars or whatever 13 it might be that I see on television. 14 Have you heard, from any source, the allegation 15 that the tobacco companies that make up the 16 17 Tobacco Institute target minors or youth in their 18 advertising and marketing practices? I have heard that. 19 20 Have you investigated that to determine whether or 21 not that is true or not true? 22 No, I haven't. Α 23 Do you personally believe it's true or not true? 24 MR. MURRAY: Objection to scope. 25 MR. BUTLER: Objection --TINY 0001418 121 William J. Fritz, 6/12/98 - by Mr. Leedom

1	A	You want my personal opinion by what I've read or
2		heard, and by definition, I don't think they do
3	ļ	market to to minors.
4	2	(By Mr. Leedom) And why do you say that?
5		MR. BUTLER: Same objection.
6	A	Because of the experience that I've had in, again,
7	}	going back to the advertising issues, whether it's
8	ļ	alcohol beverages or tobacco. Number one, I think
9		there is a false assumption about the effects of
10		advertising on young people, and number two, I
11		have never seen, other than what's been claimed
12		and what I've read about, that there are any
13		secret documents or any heinous publications that
14		direct companies to market to youth.
15	Q	(By Mr. Leedom) You're familiar with the Joe
16		Camel program?
17	A	Yes.
18	Q	Do you think the Joe Camel program was designed to
19		market to youth and people under the age of 18?
20	A	Absolutely not.
21		MR. MURRAY: Objection; outside
22		the scope.
23		THE WITNESS: My personal
24		MR. BUTLER: I'll join in the
25		objection; lack of foundation, outside the scope.
ļ		
		TINY 0001419
		William T Fritz 6/12/98 - by Mr Jeedom

My personal opinion, no. 1 Α (By Mr. Leedom) And why is that your opinion? 2 MR. BUTLER: Same objections. 3 It's a personal opinion. I don't think Joe Camel Α 4 is necessarily a cute, cuddly animal that would 5 appeal to youth. There are other commercials 6 where product -- with a logo or some symbol that 7 might, but I don't think that Joe Camel is one 8 that would. 9 What are the ones that would, in (By Mr. Leedom) 10 0 your opinion? 11 MR. MURRAY: Objection to scope. 12 MR. BUTLER: Same objection. 13 The Hamms Beer bear. 14 Α 15 (By Mr. Leedom) I'm talking about tobacco 0 16 products. Okay. I don't know of any in tobacco. 17 Α Now, you mentioned documents, secret documents. 18 Have you been provided with any documents by any 19 person concerning the issue of whether or not 20 21 tobacco companies sought out those under the age of 18 as their customers for their tobacco 22 products? 23 24 Α No. Have you asked to see any such documents? 25 TINY 0001420 123 William J. Fritz, 6/12/98 - by Mr. Leedom

1 Α No. 2 During the time you were a legislator for -excuse me, a lobbyist for TI, the Tobacco 3 Institute, did you -- were you at any time 4 5 provided with documents which demonstrated that 6 any of the members of the Institute were marketing to children? 7 No. 8 Α 9 Why didn't you ask for documents concerning 10 whether or not the companies that form the 11 Institute were marketing to children? 12 MR. MURRAY: Objection to form 13 and foundation. 14 MR. BUTLER: Objection; assumes 15 facts not in evidence, foundation and form. 16 Α Why didn't I ask for such documents? Because 17 there was no need to, and it was not my place to. 18 Q (By Mr. Leedom) Well, you were communicating with 19 lobbyists on issues of youth access -- other 20 lobbyists? 21 Α Legislators or lobbyists. 22 Q Right? You were talking to lobbyists, you were 23 talking to legislators, committee members and the 24 like, on issues of youth access, correct? 25 Uh-huh. (Witness answers positively.) Α TINY 0001421 124 William J. Fritz, 6/12/98 - by Mr. Leedom

Now, as a lobbyist for the Tobacco Institute, why 1 Q 2 did you not ask for documents dealing with the 3 issue of whether or not the tobacco companies 4 were, in fact, targeting minors and marketing to 5 minors of tobacco products? б MR. BUTLER: Objection; assumes 7 facts not in evidence, objection to form, lacks foundation. 8 9 Because I didn't believe in the claims that they 10 were. 11 (By Mr. Leedom) I want you to assume that there 12 are documents that we've all, in this room, seen, 13 which indicate that certain of the tobacco 14 companies in fact studied ways in which to attract 15 those under the age of 18 to the use of tobacco 16 products, those that were 14 years old, 12 years 17 old, grade school kids. I want you to assume 18 those are in existence and will, in fact, be in 19 evidence in this case. 20 I have heard --Α 21 MR. MURRAY: Wait for the 22 question. 23 (By Mr. Leedom) Let me finish my question. 24 A All right. Okay. 25 Have you, yourself, heard that such documents do, TINY 0001422 125 William J. Fritz, 6/12/98 - by Mr. Leedom

in fact, exist? 1 2 MR. BUTLER: Objection --3 MR. MURRAY: Objection to form. And, Your Honor, I move to strike the preface. 4 5 MR. BUTLER: Yeah, I move to strike the preface, assumes facts not in evidence, 6 7 object to form, it's beyond the scope permitted by 8 the court. 9 (By Mr. Leedom) Go ahead. 10 I go back to the fact that I haven't had a dog in 11 this fight since last November, but I have read 12 since then about some documents that have -- have 13 come to the surface that ostensibly could be 14 construed to say that they were trying to do what 15 you say about marketing to youth, but I've never 16 seen such a document. My question is, Mr. Fritz, did you ever ask for 17 such documents during the time that you were the 18 19 lobbyist for the Tobacco Institute? 20 MR. MURRAY: Objection. That 21 wasn't the question, and that question has been 22 asked and answered. 23 MR. BUTLER: And I'll renew my 24 objection; it's beyond the scope and assuming 25 facts not in evidence. TINY 0001423 126

Α No. 1 (By Mr. Leedom) Now, back when you were a 2 lobbyist for the Tobacco Institute, did you hear 3 allegations from the anti-tobacco group that you 4 have spoken of that, in fact, minors were being 5 targeted by advertising to use tobacco products? 6 As long as I've been involved with the industry 7 and as long as I have been aware of the stuff put 8 out by the critics -- that is, the information and 9 stuff -- that's always been a claim. 10 Now, at any time, did you ever ask the Tobacco 11 Institute to either verify or disprove the claim 12 13 that minors were being targeted? No. 14 Α 15 Why not? Q 16 A Because the truth, in my mind, was self-evident. 17 What was the truth that was self-evident? Q Because I have never seen any tobacco advertising 18 Α 19 or promotional activity that I felt was aimed at 20 underage people. But why didn't you ask the Tobacco Institute if 21 Q 22 they had such information so that you could 23 evaluate it in your communications with legislators? 24 25 MR. MURRAY: Objection to form TINY 0001424 127

and foundation now. MR. BUTLER: And asked and 2 3 answered. It wasn't pertinent to what I did. 4 (By Mr. Leedom) Well, you were in the position 5 representing the Institute, or in affiliation with 6 7 the Neighborhood Stores, to opposing certain legislative proposals which would limit youth 8 9 access to tobacco products, correct? 10 Uh-huh. (Witness answers positively.) 11 So why didn't you go out to find out whether or 12 not the companies that were the members of the 13 Institute were, in fact, targeting minors so that you could intelligently determine what the 14 15 opposition was doing on that issue? 16 MR. MURRAY: Objection to form. 17 MR. BUTLER: Objection -- and it's argumentative at this point. 18 19 Because everything that I saw and observed was 20 contrary to what you are claiming; again, the "we 21 card" program, the support for the banning of 22 single cigarette sales, the personal belief that 23 Joe Camel is not a fuzzy, cuddly, kid-type animal, 24 I just didn't see -- there was no relationship. 25 MR. BUTLER: Counsel, if we're TINY 0001425 128

going to go straight through, can we take a 2 five-minute break at this point? 3 MR. LEEDOM: Yes, we may. 4 THE VIDEOGRAPHER: We're going 5 off the record at 12:13. 6 (Recess at 12:13 p.m.) 7 8 THE VIDEOGRAPHER: We are back on the record at 12:19. 9 10 11 12 EXAMINATION (Continuing) 13 BY MR. LEEDOM: 14 Mr. Fritz, your relationship with TI was 15 terminated in the fall of 1997, correct? 16 November, yes. 17 Why was it terminated? 18 MR. MURRAY: I'm going to 19 object. It's outside the scope of -- I don't 20 think you have to answer that if you don't want 21 to. 22 (By Mr. Leedom) Go ahead. 23 They chose not to renew the contract. Α 24 Did they say why? 25 MR. MURRAY: Objection; outside TINY 0001426 129 William J. Fritz, 6/12/98 - by Mr. Leedom

the scope. 1 If you want to, it's up to you. I really 2 don't think you have to, but it's up to you. 3 Budgetary reasons. 4 5 (By Mr. Leedom) Budgetary reasons. Uh-huh. (Witness answers positively.) 6 What do you mean by that? 7 I don't know. They never explained it to me. 8 They told you that they were not going to renew 9 your contract because of the cost? 10 MR. MURRAY: Wait. I'm going 11 to -- you can answer that question. 12 Yes. 13 Α (By Mr. Leedom) Did they hire somebody else? 14 15 MR. MURRAY: I'm going to -- I'm going to instruct you not to -- well, I can't 16 instruct you not to answer, but I'm saying to 17 Mr. Leedom that this is beyond the scope and I 18 will adjourn the deposition if -- I think if we 19 should do this, we should move it to the end. 20 (By Mr. Leedom) Well, can you answer that one 21 question? 22 23 MR. MURRAY: I'm sorry, what was the question? 24 MR. LEEDOM: Whether they hired 25 TINY 0001427 130 William J. Fritz, 6/12/98 - by Mr. Leedom

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somebody else.
 1
 2
                               MR. MURRAY: Sure, go ahead.
 3
       A
            Yes.
 4
           (By Mr. Leedom) Now --
 5
                              MR. LEEDOM: Let me have this
 6
            marked.
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 8
            (This portion of the transcript, Pages 132 to 162,
 9
                was sealed and marked as confidential.)
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(End of sealed and confidential portion of the transcript.)

Q (By Mr. Leedom) Okay. Now, Mr. Fritz, let me ask you a few more questions about your efforts to comply with the subpoena duces tecum.

You provided me with some pages here, looks like 56 pages of documents, and then there is a second set, looks like an additional -- they're not stamped or numbered, so maybe another 15 or 20 pages.

What are these documents that you have produced --

13 A Okay.

- Q -- in general?
- A The documents are the forms that lobbyists are required to fill out and file with the Public Disclosure Commission, as to who our -- who we represent, who our clients are, and what our fees are and the general nature of their areas of interest.

I haven't -- I have the one thick stack. I haven't seen the second stack, but I assume that's our expense reporting for those trips that I took back to lobbyist meetings for TI.

MR. MURRAY: Actually, Counsel,

TINY 0001429

let me make a representation that the source of the confusion is Mr. Fritz faxed us over pages 2 relevant just to tobacco. I faxed you those as 3 soon as I got them and then later got full sets 4 and got those over to you. That's the only reason 5 for the two sets. 6 7 MR. LEEDOM: Thank you very 8 much. 9 (By Mr. Leedom) And these are all the records you 10 have that were responsive to the subpoena? 11 Correct. 12 Now, in 1995, there were a number of issues before 13 the legislature concerning tobacco, tobacco 14 products, smoking, smoking regulation. I want to 15 ask you a couple questions about that. 16 There was a house bill -- the number was 1817, 17 if that means anything to you -- called the Repeal 18 of Health Care Reform Taxes, and it was a proposal 19 to delete 1995 tax increases on cigarettes, among 20 other things, which were dedicated to the health 21 services account. 22 Do you recall that issue? 23 Α Yes. 24 And did you take a position on behalf of the 25 Tobacco Institute on that subject?

TINY 0001430

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А No. 1 Did you talk a position on behalf -- or along with 2 3 the Neighborhood Stores group? 4 A No. In 1995, there was a Senate Bill 5681, 5 Okav. 0 6 providing penalties for illegal activities 7 involving tobacco, increasing penalties for sale of tobacco to a minor, and directing the Liquor 8 9 Control Board to provide staff and assistance to local agencies to conduct inspections to assure 10 compliance. 11 12 Do you recall that particular bill? I recall that TI had asked me to be supportive 13 А 14 of changing -- of increasing the enforcement 15 authority of the liquor board and changing the 16 authority for collection of cigarette taxes to the 17 liquor board from the Department of Revenue. And 18 I don't know if it was in that bill or several 19 bills, but that was the official position. What position did the Tobacco Institute take with 20 21 respect to those bills which would strengthen 22 penalties for sales to minors? 23 If that was in conjunction with increasing the 24 enforcement authority, I think we would have 2.5 supported that. TINY 0001431 164

Again, I'd have to read the particular bill, 1 2 you know, and the language in it, but as I say, as 3 a general proposition, the Tobacco Institute and the member companies supported efforts to enhance 4 enforcement of underage smoking. 5 Now, the information we have, so you can take it 6 7 for what it's worth, is that that particular bill 8 in 1995 failed due to heavy lobbying by the 9 tobacco industry. 10 Do you know anything about that? 11 MR. BUTLER: Objection; assumes 12 facts not in evidence, calls for speculation. 13 (By Mr. Leedom) Just a question; you may or may Q not agree with that. 14 15 If I could see the bill and see who the sponsors Α 16 are, I could be more direct in my answers. were so many bills. 17 18 So your testimony today is you don't recall the Q 19 position of the industry, the Tobacco Institute, 20 other than to support the more enforcement by the 21 Liquor Control Board? 22 That was our -- our general, basic marching order, Α 23 or policy order, is to -- if you can enhance the 24 enforcement of -- of illegal sales to minors, do 25 so. And then we did support the shifting of

TINY 0001432

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the -- of the tax collection to the board. 2 I think that was basically the position of the Neighborhood Stores. 3 Now, in 1994, the Department of Labor & Industries 4 5 implemented regulations which would prohibit smoking in the workplace. And you're familiar б 7 with those regulations? Uh-huh. (Witness answers positively.) 8 Α 9 You have to say "yes." 10 Α Yes. And is it true that the Tobacco Institute, among 11 others, have attempted to oppose this particular 12 13 set of regulations from the time they were first announced by the Department of Labor & Industries? 14 15 Yes, but we proposed alternatives. Is it true that up until June of 1996, which is 16 17 the relevant time period for inquiry here, that 18 the tobacco industry has always opposed regulations which would prohibit smoking in the 19 20 workplace? 21 I don't know about the use of the term "always." 22 In response, I would say that on most of the 23 specific issues that I -- that I recall and that I 24 worked on, we were opposed to blanket prohibitions 25 and suggested that there were alternative methods TINY 0001433 166

for providing clean indoor air. 1 Do you know who Victor Crawford was? 2 3 Α I have no idea. If I told you he was a lobbyist for the tobacco 4 5 industry who worked out of Maryland, would that refresh your memory? 6 7 I have no idea, no recollection. I've never heard Α 8 that name. 9 Ever see him on television before he died? (Witness shakes head.) 10 Α I'll refresh your memory, maybe --11 MR. MURRAY: You have to answer 12 13 audibly. Was that a "no"? No, I -- no. 14Α 15 (By Mr. Leedom) This is a former tobacco lobbyist Q 16 who came out and made some statements that the 17 tobacco industry had lied to the public, that he 18 had done so on behalf of the industry, and that 19 the tobacco industry was after the children, the 20 kids, as their customers, future customers. And 21 there was quite a bit of publicity about this back 22 in '94 and '95 and '96, and then he passed away of 23 a tobacco-related illness shortly thereafter. 24 Does that refresh your memory about this man 25 at all? TINY 0001434 167 William J. Fritz, 6/12/98 - by Mr. Leedom

MR. MURRAY: Objection to form. 1 MR. BUTLER: Join in the 2 objection, move to strike the preface. 3 4 Vague recollections, but I wasn't that interested, 5 I quess. 6 (By Mr. Leedom) Do you believe that you have ever 7 been asked to lie on behalf of the tobacco 8 industry? 9 Absolutely not. 10 Do you believe you --11 I have never been asked to lie. 12 That's a difficult -- the way you phrased the 13 question. I have never been asked to lie, nor have I lied. 14 15 And in terms of deceive, have you ever been asked 16 by the tobacco industry, the Institute, or 17 individual companies to make representations which 18 you knew to be deceptive and deceitful? 19 No. No, I have not, nor would I. Α 20 Mr. Fritz, when was it that you first concluded, 21 as you have said here today, that tobacco 22 products, in some cases, can cause illness or 23 disease to individual users? 24 Α Well, I think that started with my high school 25 football coach, when he used to tell me it was TINY 0001435 168 William J. Fritz, 6/12/98 - by Mr. Leedom

harmful to my health and my mom used to say it would stunt my growth. And I can't remember a time when the hazards and warnings about smoking weren't being presented to me.

I don't know if that answers your question. Again, I'll go -- I think I said before, I never believed that it was good for you, but I just -- all the question marks in my mind are the degree of harm and to whom or whom -- whoever might be harmed by the product.

- Q Has your -- I'm sorry?
- A By the product.

2.1

2.5

- Q Has your belief as to the harmful nature of tobacco products changed since you first heard about the harmful effects of tobacco products when you were in high school?
- A No -- well, yes. My degree of -- let's say I'm more -- more suspect of all the statistics and the credibility of various sources with vested interests than I was before.

I used to think it was just sort of a nanny, benevolent, "Don't smoke, it will hurt you," that type of thing. Now I see the money that generates the anti-smoking activities and the money that motivates a lot of the health organizations to get

TINY 0001436

involved in this, and it makes me very skeptical. 1 Skeptical of what? 2 3 Of their motives. Α What do you think their motives are? 5 Α Money. What are they going to do with the money? 6 MR. MURRAY: Object to form. 7 (By Mr. Leedom) Or explain that. Explain what 8 9 you mean by that. There is a whole sector of our society that 10 Α derives their livelihood off of government and 11 12 private grants that are dedicated to the anti-tobacco crusade. And I often wondered what 13 would happen after the Salk vaccine was invented 14 to all those people that derived their livelihood 15 off polio. 16 17 Now I know; they shift it into anti-tobacco. It's always been that way. The folks that -- you 18 follow the money trail on these issues and -- I 19 20 guess I'm jaded, but always looked at the money 21 trail, including the trial attorneys. 22 MR. MURRAY: Move to strike as 23 nonresponsive. 24 (By Mr. Leedom) Do you think that the Tobacco 25 Institute and the members of the Tobacco TINY 0001437 170

Institute, the individual tobacco companies that you worked for for 18 years, were, likewise, following the money trial with respect to their tobacco products?

MR. MURRAY: Objection to scope.

MR. BUTLER: Same objection.

It is a natural economic law for profit making organizations to follow the money trail, to seek to make a profit.

I respectfully refer to the state pension fund as an example of where overtures in legislation have been introduced to urge them to divest themselves of tobacco company stock, but those overtures have been overridden by the economic forces, if you will, to make money for the pension fund.

MR. LEEDOM: I move to strike before the words "I refer to the State pension fund --" excuse me, everything after I refer to the words -- "I refer to the state pension fund" I move to strike, just to be clear for the record.

(By Mr. Leedom) You said it's a natural economic law for businesses to seek profit from the sale of their products and to follow the money trail.

Is that what you think that the tobacco

TINY 0001438

companies did, and continue to do, throughout the 1 time that you were serving as the representative 2 3 of the tobacco industry in the state of Washington? 4 MR. MURRAY: Objection to scope, 5 asked and answered. 6 MR. BUTLER: Join in the 7 8 objection. I would think that their stockholders would be 9 Α very upset with them if they did not seek to make 10 a profit. 11 (By Mr. Leedom) Now, did you -- in advocating the 12 position of the tobacco industry in the state of 13 Washington for the 16 years in question, did you 14 15 tell legislators that the Tobacco Institute and 16 the companies that operate the Institute were 17 following the money trial and were seeking a profit in the sale of their products, the tobacco 18 19 products? 20 There was no need to state the obvious, that they Α 21 were operating to make a profit. 22 Was it also the obvious that the reason why the Q 23 tobacco companies opposed any increase in excise 24 taxes, for example, was because they felt that 25 would reduce the profits that their shareholders

TINY 0001439

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would benefit by because the sales would be 1 2 reduced? 3 MR. BUTLER: Objection; lacks 4 foundation. I would not be in a position to judge that. 5 6 From what I understand about the industry, 7 their export sales of -- keep -- continue to increase, no matter what. I think they were 8 concerned about the tobacco farmers to some extent 9 10 and what they could pay them, but their economics are -- their concern for the taxes was not 11 12 motivated primarily by reduced sales, because 13 their sales are still being done to military 14 reservations and Indian -- Indian nations. (By Mr. Leedom) Now, wait a minute. Wouldn't you 15 16 agree that the opposition of the tobacco companies 17 to an increase in state excise taxes was motivated 18 solely for profit? 19 No. 20 MR. MURRAY: Objection --21 MR. BUTLER: I want to interpose 22 an objection to that last question, to form, 23 argumentative, lacks foundation, but the answer 24 stands. 25 (By Mr. Leedom) Now, are you aware of the TINY 0001440 173 William J. Fritz, 6/12/98 - by Mr. Leedom

statistical information that indicates that 90 1 percent of smokers, including yourself, began 2 prior to the age of 18 to smoke cigarettes? 3 4 MR. MURRAY: Objection to form. 5 MR. BUTLER: I object to the 6 form, assumes facts not in evidence, lacks 7 foundation. 8 (By Mr. Leedom) Go ahead. I've heard that statement. 9 10 Do you believe it? 11 In my own case, yes. 12 Do you believe that's a true statement for the 13 general population of users of tobacco products, 14 that 90 percent, approximately, of those users 15 began using those products before the age of 18? 16 MR. MURRAY: Objection to form. 17 MR. BUTLER: Objection to form, 18 lacks foundation, calls for speculation. 19 Α I would speculate that the rituals of growing up 20 and becoming adult, whether it be smoking or beer 21 or alcoholic beverages, are in that time frame 22 where kids start experimenting to -- to graduate 23 to adulthood, some, not all, and not everybody 24 that drinks smokes, and vice versa, but that's --25 I raised three children. You may have children, I TINY 0001441 174 William J. Fritz, 6/12/98 - by Mr. Leedom

don't know. But they do, especially the boys, they get into this peer pressure and ritualistic environment, and to be a man, you've got to do this or that.

And thank God I didn't succumb to that when I was told by my peers that I needed -- to be a Marine, I needed a tattoo.

(By Mr. Leedom) Now, do you believe that the tobacco companies and the Tobacco Institute, during this 16-year period, knowing that fact about young people, utilized that knowledge in marketing their products to those people under the age of 18?

MR. MURRAY: Objection; it's been asked and answered.

MR. BUTLER: Objection; assumes facts not in evidence, it's argumentative, and lacks foundation, calls for speculation.

- A I have never seen an ad with age lines on it.
- Q (By Mr. Leedom) What's that mean?
- A There are the -- this is the accusation -- the accusation of advertising aimed at underage smoking.

My response is I don't think that such an ad can be constructed. I think that an ad is aimed

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at product loyalty or "try our product instead of this one," and -- well, any product, and there is some exceptions to this when you get into juvenile clothing, but as far as tobacco ads, I can't see any -- any age marks on it.

Now, on this subject that we're talking about -that is, the desire of tobacco companies to
utilize the knowledge of what youth will do in
terms of using the products -- have you ever
talked to a legislator about that particular
subject, either informally or formally, either at
the Best Western Aladdin or on the floor of the
committee?

MR. BUTLER: Object to the predicate as assuming facts not in evidence.

- A No. It's always an interesting discussion, however, to debate the effects of advertising on anybody.
- (By Mr. Leedom) Okay. Now, finally, in terms of the nonrenewal of the contract, do you harbor any animosity towards the tobacco industry or the Tobacco Institute as -- with regards to your termination or anything else that happened during the 18 years that you worked for them?

MR. MURRAY: Objection; it's way

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beyond the scope.

I'm not going to adjourn the deposition. You can answer that if you want to.

 $$\operatorname{MR}.$$ BUTLER: And I'll object as to form.

A Well, I objected to the way they handled the termination. I felt after that many years, that I deserved a better parting of ways.

I am going into retirement next year, 40 years of lobbying, and I am tremendously loyal to my clients and I expect loyalty in return. And I don't think that I was treated properly in this termination.

So I -- animosity? Yeah, I -- I resent being here today. I don't have a dog in this fight.

And I'm not here to defend TI or anything else.

I'm here to defend my ethics, my integrity, and my 40-year reputation as a lobbyist. And I must suggest to counsel and all of you present, in that business down there, you don't last on anything but your reputation for truth and for being of service and being helpful to the -- to the process of law making.

So if you sense, in my deposition, that I'm proud of what I've been doing for 40 years, I am.

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And if you sense that I'm an honest -- that I shoot straight and try to shoot straight, I do.

But I also know that if you would talk -- ask any lobbyist, it's -- they don't feel it's their job to tell the opposition's side of the story, as you wouldn't in a court of law, if you were a plaintiff or a defendant's attorney, tell the other side's story. But what you do tell as a lobbyist, it has to be truthful and honest or it can come back and bite you.

When I didn't know the answers to questions, I would tell them that and I will say, "I will look at -- see what I can find out," but this is true of all my clients.

(By Mr. Leedom) I guess, Mr. Fritz, I'm left with a question of, having heard what you just said, why you didn't feel it was necessary for you to further research and investigate the smoking and health issues, in view of the fact that you were advocating on behalf of the Tobacco Institute?

MR. MURRAY: Wait. Objection; asked and answered, in many, many forms over the last four hours.

If you have anything new to add, you can do so.

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MR. BUTLER: I'll object, also; 1 2 it's beyond the scope. Going back to what I've said, I didn't have the 3 Α resources or the motivation. 4 Please understand that representing another 5 client of a consumer product, these are processed 6 fruits, vegetables, and potatoes, there are 7 hazards -- alleged hazards about food additives or 8 alleged additives, about harmful fertilizers. 9 We've just gone through that -- that issue. I am 10 never the expert. I cannot ascertain whether 11 those fertilizers get their way into potatoes. 12 have to count on experts that are in the client's 13 field, and in this particular case, the Department 14 of Agriculture and their scientists, for 15 16 information. And again, it's not my obligation to research 17 that. I have to depend on the client to be honest 18 19 with me. 20 But if you're basing your lobbying activities on 21 what's the truth --22 Uh-huh. (Witness answers positively.) Α 23 -- why wouldn't you seek out the full and complete 24 truth -- whether or not you communicated it to a 25 legislator is a different issue, but why wouldn't TINY 0001446 179 William J. Fritz, 6/12/98 - by Mr. Leedom

you seek out to know the truth of an issue before 1 2 you represented what that truth is? 3 MR. MURRAY: Objection; asked and answered in the last question, and in some 4 5 substance over the last several hours. MR. BUTLER: And beyond the 6 7 scope. 8 MR. MURRAY: If you have 9 anything new to add, you can do so. I have nothing new to add. 10 11 MR. LEEDOM: All right. Then 12 that's all I have of the witness for the day. 13 MR. MURRAY: Questions? Thank 14you. 15 THE VIDEOGRAPHER: This 16 concludes the deposition for today. We are going 17 off the record at 1:28. 18 (Signature reserved.) 19 (Deposition adjourned at 20 1:28 p.m.) 21 22 23 24 25 TINY 0001447 180 William J. Fritz, 6/12/98 - by Mr. Leedom

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STATE OF WASHINGTON) 1 I, KARMEN M. KNUDSON, ss CCR #KN-UD-SK-M310KT a 2 County of Pierce duly authorized Notary Public in and for the 3 State of Washington residing at Tacoma, 4 do hereby certify: 5 That the foregoing deposition of WILLIAM 6 J. FRITZ was taken before me and completed on June 12, 1998, and thereafter was transcribed under my 7 direction; that the deposition is a full, true and complete transcript of the testimony of said witness, including all questions, answers, 8 objections, motions and exceptions; 9 That the witness, before examination, was 10 by me duly sworn to testify the truth, the whole truth, and nothing but the truth, and that the 11 witness reserved the right of signature; 12 That I am not a relative, employee, attorney or counsel of any party to this action or 13 relative or employee of any such attorney or counsel and that I am not financially interested 14 in the said action or the outcome thereof; 15 That I am herewith securely sealing the said deposition and promptly delivering the same 16 to Attorney WILLIAM J. LEEDOM. 17 IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 18 οf , 1998. 19 20 21 Karmen M. Knudson, CCR, RPR Notary Public in and for the State 22 of Washington, residing at Tacoma. 23 24 25 TINY 0001448 181 William J. Fritz, 6/12/98 - by Mr. Leedom